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Bosnian Peace Talks Continue in Geneva

Talks Delayed

AU0208105693 Belgrade Radio Beograd Network in Serbo-Croatian 1000 GMT 2 Aug 93

[Report by Dragan Colovic from Geneva]

[Text] The tripartite talks—during which Radovan Karadzic, Mate Boban, and Alija Izetbegovic should continue negotiations on the maps and the territorial delineation of the three republics in the future Union of the Republics of Bosnia-Herzegovina agreed on in principle here on Friday [30 July]—have not started yet in the Palace of Nations in Geneva.

However, the Muslim side is still disputing the legality of the text, particularly Article 1 of the agreement, because it allegedly places a question mark over the continuity of Bosnia-Herzegovina as a member of the United Nations. The hardline current in the delegation of the Presidency of Bosnia-Herzegovina led by the Muslim leader Alija Izetbegovic is continuously wavering in an attempt to undermine the negotiations, which, as Radovan Karadzic and Mate Boban claim, are making progress.

The alleged leaders of the opposition in Alija Izetbegovic's delegation this morning met with conference chairmen Owen and Stoltenberg for the second time. The talks have just finished. The negotiations on the maps between Radovan Karadzic, Mate Boban, and Alija Izetbegovic should soon follow.

Last night Alija Izetbegovic said that he would withdraw from the negotiations if, as he said, the Serbian offensive on Mount Bjelasnica, Brcko, and Gradacac continues. However, he confirmed that he would come to the Palace of Nations today to negotiate.

Radovan Karadzic has already arrived. Mate Boban and Alija Izetbegovic are awaited.

Presidency 'Playing for Time'

AU0208135593 Paris AFP in English 1340 GMT 2 Aug 93

[Text] Geneva, Aug 2 (AFP)—The latest round of top-level peace talks for Bosnia-Herzegovina was postponed here on Monday [2 August] at the request of Bosnian President Alija Izetbegovic, as U.N. officials in Sarajevo reported ceasefire violations.

Izetbegovic earlier threatened to pull out of the parley unless attacks by Bosnian Serbs ceased. Conference sources said the collective Bosnian leadership was playing for time in the light of U.S. proposals to use military force against Bosnian Serb positions in a bid to break the siege of Sarajevo.

The American approach was being discussed later on Monday in Brussels at a meeting of NATO's cooperation council, which U.S. special representative in former Yugoslavia Reginald Bartholomew was to attend. He has been taking part in the past week's peace negotiations here.

Bosnian Foreign Minister Haris Siladzic said Izetbegovic would attend the talks despite the Serb attacks around Sarajevo, which he described as "breaking of good faith."

"Continuation of the negotiations will not be successful if we break all the promises all the time; there is no good faith," he added.

"The condition for successful negotiations was to restore electricity, water and gas to Sarajevo. Nothing of that has been done and now we have the offensive action again so this is a real problem—but we are continuing negotiations," Siladzic said.

Conference sources expected Britain and France, two of the North Atlantic Treaty Organisation countries with large forces serving on the U.N. Protection Force (UNPROFOR) in ex-Yugoslavia, to voice reservations about the U.S. intention to become more aggressive.

Some European diplomats said the sudden tougher American stance against the Serbs was aimed at domestic opinion to offset the Clinton administration's inaction over last week's Israeli invasion of southern Lebanon.

The talks here were due to resume later on Monday, conference spokesman John Mills said. They would focus on a future map of Bosnia following Friday's breakthrough agreement in principle to divide Bosnia into three non-ethnic republics. The map was the "thorniest issue" at the talks, Mills commented.

UNPROFOR spokesman in Sarajevo Barry Frewer meanwhile reported violations of the newest ceasefire in several sectors throughout Sunday. There had been five hours of shelling on Mount Igman, a strategic location overlooking Sarajevo on the south-west where largely Moslem Bosnian government troops have been under Serb attack for some weeks.

In a central sector 50 kilometres (30 miles) from Sarajevo, at Gorni Vakuf, Bosnian and Croatian forces fought for six hours from midnight. Commander Frewer said UNPROFOR counted the firing of 127 mortar and artillery shells, and Gorni Vakuf was hit by a 20-minute concentration of mortar fire.

Three villages east of Tuzla were on fire, Frewer said, with shelling on parts of that front 100 kilometres (60 miles) north of Sarajevo.

In London, the defence ministry said Defence Secretary Malcolm Rifkind would spend some time in Bosnia on Monday, but gave no details.

Presidency Wants Guarantees

AU0208105593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 2 Aug 93

[Report by Nada al-Isa from Geneva]

[Text] Consultations are under way in Geneva, that is, the meeting of the Bosnia-Herzegovina Presidency, at which the following has to be decided: What now? To continue talks or not? Why are the talks under a question mark? Because of the aggressor's attacks, which [word indistinct] the fiercest on Mt. Bjelasnica and Brcko [words indistinct] the aggressor's side [words indistinct] will be known whether talks will resume and with what.

As we have already reported, the Geneva talks of the three delegations with Lord Owen and Thorvald Stoltenberg were supposed to resume this morning. However, they have been postponed for the time being, because of the said consultations of the Bosnia-Herzegovina Presidency members. We have also reported that the Bosnia-Herzegovina Presidency is expecting Lord Owen's response to President Izetbegovic's letter, in which he asked for an explanation of the meaning of Article 1 of the agreement on the Union of the Republics of Bosnia-Herzegovina. Does it maintain the state continuity of Bosnia-Herzegovina? Lord Owen's reply finally arrived. But as we have found out unofficially, it was so unclear that President Izetbegovic had to send a reply to the reply. Why? Because Owen's reply said that the agreement on the union guarantees that the union will be a UN member, but it is not entirely clear from Lord Owen's reply whether that union would have all the elements, that is, the character of a state. Until such guarantees are forthcoming, President Izetbegovic will retain the right to (?renege) on the agreement on the union.

This is Nada al-Isa reporting from Geneva for Radio Television Bosnia-Herzegovina.

Silajdzic Demands Action on Sarajevo

AU0208123793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1200 GMT 2 Aug 93

[Report by Nada al-Isa from Geneva]

[Text] The talks on Bosnia-Herzegovina in Geneva cannot continue while the aggression against Bosnia-Herzegovina is continuing. This is what Bosnia-Herzegovina Foreign Minister Haris Silajdzic told Lord Owen and Thorvald Stoltenberg. The minister reminded Messrs Owen and Stoltenberg of the sad fate of Sarajevo—which has nothing, no gas, no electricity, no water—of the fighting on Mt. Bjelasnica, and the attacks on Brcko. As long as this situation remains, there can be no negotiations. If it stays this way, the Bosnia-Herzegovina delegation will walk out of the negotiations, Silajdzic said. Owen and Stoltenberg only replied briefly that they would see what they could do about it.

By the way, prior to the talks with Minister Silajdzic, Lord Owen told reporters that he was satisfied with the talks and that he was hoping that the Bosnia-Herzegovina delegation would not walk out. However, after holding talks with Minister Silajdzic, Owen no longer gave such optimistic statements. He only said, let me repeat: We will see what we can do.

After holding talks with the international mediators, Minister Silajdzic joined the session of the Bosnia-Herzegovina Presidency, which has been under way for several hours now. A joint decision is expected to be made on whether to continue or break off the Geneva talks.

This is Nada al-Isa reporting from Geneva for Radio Television Bosnia-Herzegovina.

Izetbegovic Threatens Walkout

AU0208092793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 2 Aug 93

[Report by Nada al-Isa from Geneva]

[Text] Today's Geneva talks on Bosnia-Herzegovina are to resume at about 1100. They will concern the [words indistinct] and tiresome maps. As we have found out unofficially, this will be a meeting of all three delegations: The Bosnia-Herzegovina, Croatian, and Serbian one, with international mediators Lord Owen and Thorvald Stoltenberg. Of course, no one dares try to predict any results or outcome of these talks, even though it is possible that there will be some at the end of this day.

However, before the talks officially resume, Lord Owen and Thorvald Stoltenberg are to hold talks with the representatives of the Bosnia-Herzegovina opposition. Actually, these talks are under way as we report. They are not to concern the maps, though. As we have been told by the opposition representatives, they will discuss the future constitutional organization of Bosnia-Herzegovina. The opposition, according to Dr. Muhamed Filipovic, Adil Zulfikarpasic, Nijaz Durakovic, and Ivo Kontic, will warn the cochairmen that the principles of the London conference must be respected at the negotiations; that is, that the partition of Bosnia-Herzegovina into three states must not be allowed. [words indistinct] that every time that the Bosnia-Herzegovina delegation sets some justified demands in Geneva, news starts coming from Sarajevo about new aggressor's offensives.

For that reason, as we have already reported, last night and several days ago, President Izetbegovic warned the aggressor twice that, if the offensive in Bosnia-Herzegovina continues, the Bosnia-Herzegovina delegation would walk out of the talks. Therefore, while our negotiators and opposition members are seeking peace, the aggressor continues the war. The representatives of the opposition also stress the following: Today's talks of the opposition with Lord Owen and Thorvald Stoltenberg are to be seen as support for the negotiating efforts of the Bosnia-Herzegovina delegation in Geneva.

This is Nada al-Isa reporting from Geneva for Radio Television Bosnia-Herzegovina.

Boundaries Discussed

LD0108194893 Belgrade TANJUG in English 1908 GMT 1 Aug 93

[Text] Geneva, August 1 (TANJUG)—The leaders of the three national communities in the former Yugoslav republic of Bosnia-Herzegovina discussed the frontiers of the republics of Bosnia-Herzegovina for several hours in Geneva on Sunday [1 August].

Sources close to the conference said that Serbs and Moslems are still discussing the division of Sarajevo and the strip along the Drina river, and that the Moslem side requests a direct access to Gorazde, Moslem enclave in south eastern Bosnia.

The discussion of the problem of Sarajevo has reached a phase when it should be decided which part of the city could be used by the Moslems to go in and out of the city, which would make it an open city.

The area of Posavina is the most sensitive disputed area between Serbs and Croats. In exchange for Bosanski Brod, Croats want the town of Jajce, and they agree the industry to be controlled by Serbs. They also want the north-eastern town of Odzak to be part of their territory.

In the Moslem-Croat talks about frontiers, Croats said they want to have Travnik, but are ready to give Vares, Kiseljak, Fojnica and Kresevo in return. Sources close to the conference said that Moslems, however, are not prepared to give the entire Travnik.

It was learned unofficially that co-chairman of the international conference on the former Yugoslavia Lord Owen does not agree with the division of Travnik. He believes that Croats and Moslems would not reach an agreement if they insist on the division.

U.N. experts assessed that all sides in Bosnia-Herzegovina should be satisfied with the territorial division.

President of the Bosnian Serb Republic Radovan Karadzic on Saturday said that Bosnian Serbs control 72 per cent of the Bosnia-Herzegovina territory but they are willing to give 15 per cent to the Moslems.

According to the agreements reached so far, the Moslem territory would cover 28.4 per cent of the former Bosnia-Herzegovina or about 15,000 square kilometres.

Karadzic on Territorial Division

LD0108220793 Belgrade TANJUG Domestic Service in Serbo-Croatian 2135 GMT 1 Aug 93

[Text] Geneva, 1 Aug (TANJUG)—President of the republic of Srpska Radovan Karadzic stated this evening that he is pleased with the fact that so far none of the participants withdrew from the negotiations and that this is the first time that the three sides have sat at the same table with full mutual respect.

"We have put forward two proposals for Sarajevo—its division along the river, or the creation of two cities," Karadzic said, explaining that these are two concepts—one of a divided city, and another of two cities. He believes that the international community, but also the Serbs and the Muslims, ought to be pleased with the concept of two cities, adding that work on forming the concept of two cities is in progress.

The president of the Srpska Republic said that Alija Izetbegovic is procrastinating in voicing his final stand on the agreement on the union of three republics in Bosnia-Herzegovina which was agreed upon in greatest detail, but also on the maps. "I simply cannot imagine any of the sides withdrawing or taking back its consent to the document and the maps."

The Muslim side can be very pleased because it is not a loser. "What the Muslims lost on the battlefield they can regain at the negotiating table," Karadzic went on to say. The Muslims can create their own state, they can be in an alliance with the Serbs and Croats, we can be good neighbors, but they can also be independent if they wish, Karadzic said.

Dwelling on the maps, Karadzic said that preliminary talks are in progress in connection with access to the sea. "It is clear to everybody that one state cannot keep the other state far from the sea when that other state is only 500 meters from the sea." The president of the republic of Srpska expressed his belief that the Croatian side will find its interest not in giving the Serbs access to sea, but in territorial swaps to secure Dubrovnik's hinterland. However, there were no direct talks about this matter.

Karadzic said that Serbs in former Bosnia-Herzegovina will keep about 55 percent of the territory or about 30,000 square km. "In order to achieve peace, we are ready to make fair deals and to form borders which will last for centuries and will not cause bloodshed."

"I expect difficult and strenuous negotiations tomorrow, but I think that the Muslim side will understand that it has an advantage, that it will get the same as Serbs and Croats, and that it is losing only what it had no right to—to dominate the other two nations," Karadzic said in conclusion.

UN Status Retained

AU3107163093 Paris AFP in English 1607 GMT 31 Jul 93

[Text] Geneva, July 31 (AFP) - Geneva mediators Lord Owen and Thorvald Stoltenberg reassured Bosnian President Alija Izetbegovic on Saturday [31 July] that the proposed "Union of Republics of Bosnia and Herzegovina" would retain full membership of the United Nations.

They were replying by letter to reservations expressed by Izetbegovic, also in a letter, concerning the legal status of the union which was agreed in principle here by the republic's warring parties late Friday.

Izetbegovic said he had only agreed to the proposed union "if the accord does not question the status of the future union and thus its membership of the United Nations."

The proposed union is a compromise between Serb and Croats demands for a confederation divided along ethnic lines and the Moslem-led Bosnian government's insistence on a federation avoiding ethnic definitions.

He said that experts in international law had advised him that the first clause of the accord was ambiguous on this point.

The Owen-Stoltenberg letter "confirmed" that the text signed Friday included the stipulation that the union "will continue to be a member of the United Nations."

Bosnians fear that the mini-states to be created by the Bosnian Serbs and Croats out of territory won by force of arms will seek to split away and join up with the adjoining republics of Serbia and Croatia.

Izetbegovic, Karadzic Discuss Maps

AU3107162193 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 31 Jul 93

[Report by Dragan Colovic from Geneva]

[Text] Allegedly the final, polished version of the text of the agreement on the union of Bosnia-Herzegovina republics, which was accepted yesterday by all the participants in the Geneva talks, is circulating in the Palace of Nations today.

The union of Bosnia-Herzegovina republics consists of three republics that comprise three constituent nations and other ethnic groups.

The union of Bosnia-Herzegovina republics is a UN member and will also seek to be admitted into other organizations under the UN umbrella.

Each citizen of the union of Bosnia-Herzegovina republics will have the right to be a citizen of a constituent republic as well as a citizen of the union of Bosnia-Herzegovina republics. Double citizenship is also permitted.

The constitutional agreement further envisages demilitarization throughout the union, therefore, neither the union nor any of its constituent units will be able to maintain armed forces. Demilitarization will be carried out under the supervision of the United Nations and EC. The borders of the constituent republics are yet to be determined and can be altered in a procedure envisaged for amendments to the constitutional agreement on the union of Bosnia-Herzegovina republics. The Presidency will be able to effect minor border alterations as put forward by a commission consisting of five people appointed by the UN Secretary General and three people nominated by the three constituent republics.

There will be no checkpoints at the borders of the constituent units. Free movement of people, goods, and services will be secured over the entire territory of the union of Bosnia-Herzegovina republics.

Each of the constituent republics will have a constitution whose provisions must comply with the constitutional agreement on the union of Bosnia-Herzegovina republics.

Regarding joint institutions of the union of Bosnia-Herzegovina republics, the agreement envisages a presidency composed of three members elected by the three constituent republics. A council of ministers with a prime minister appointed and recalled by the presidency is also envisaged. The council of ministers is responsible for foreign policy, international economic relations, and the operation of joint institutions.

The assembly of the union of Bosnia-Herzegovina republics will consist of 120 deputies. The incumbent organizations of each constituent republic will elect one-third of all deputies. The laws will be adopted with a simple majority of the representatives of each constituent republics.

The constitutional agreement devotes great attention to the issue of human rights and liberties. The most interesting part of it is definitely that all citizens of Bosnia-Herzegovina have the right to settle in any part of Bosnia-Herzegovina. They retain the right to restitution of property seized from them during the ethnic cleansing. They also have a right to compensation for property that cannot be returned.

The constitutional agreement accepted in Geneva yesterday can be altered if the changes are endorsed by each constituent republic. Not a single amendment can be passed that would abolish or curtail the rights or liberties of the citizens. The constitutional agreement cannot be rendered void. None of the republics can pull out of the union without the approval of the others. In a case wherein one of the republics should withdraw from the union anyway, the others would remain part of the union of the Bosnia-Herzegovina republics.

The constitutional agreement will come into effect only when the representatives of all three constituent nations have embraced it as a part of the overall peace solution.

So, this concludes our highlights of the constitutional agreement of the union on Bosnia-Herzegovina republics. At the time of this report the talks on the most sensitive issue—the maps, that is, the drawing of borders—are still underway. Dr. Radovan Karadzic [republic of Srpska president] and Alija Izetbegovic [president of the Bosnia-Herzegovina Presidency] are holding direct talks and it is expected that Mate Boban [head of Herceg-Bosna] and Alija Izetbegovic will next discuss the borders issue.

The borders between the Serbian and the Croatian community in Bosnia-Herzegovina are, apart for some minor altertions, basically agreed upon.

Negotiations Detailed

LD3107184893 Belgrade TANJUG in English 1731 GMT 31 Jul 93

["Pool" item]

[Text] Geneva, July 31 (TANJUG)—The major part of the Bosnia-Herzegovina territory is not disputable, but several issues will continue to create a problem in the talks between the leaders of its three ethnic communities on the frontiers of future Bosnian republics.

Solutions to these problems should be sought during the present round of the Geneva talks. After agreeing on the creation of a Union of the Republics of Bosnia-Herzegovina on Friday [30 July], the participants of the Geneva talks assessed that the territorial issues were not unsolvable.

Diplomatic circles in the United Nations headquarters in Geneva, however, are afraid that the division of territories would be the biggest problem.

The bilateral talks between Serbs and Moslems which began in Geneva on Saturday are expected to resolve several issues, the most difficult one being that of Sarajevo and Podrinje, the eastern Bosnia region along the Drina River.

Sources close to cochairmen of the Geneva conference said that Moslems are expected to get an access to the Sava River near the north Bosnian town of Brcko, where they could build a port and have an access to the Adriatic Sea.

Central Sarajevo would be controlled by Moslems, while the Sarajevo suburbs would remain part of the Bosnian Serb republic. Problems in resolving this issue are expected, because Bosnian Moslem leader Alija Izetbegovic wants the entire Sarajevo to be part of a Moslem republic.

During the previous discussions on territories, the Moslem side has raised the issue of Podrinje. There are reports that the cochairmen are not prepared to meet their requests fully because several hundreds of thousands of Serbs expelled from central Bosnia, which is now mostly under Moslem control and a smaller portion is controlled by Croats, live there.

During the talks on the map, Cochairmen Lord Owen and Thorvald Stoltenberg said there was a need to provide Moslems with territories which have good natural resources. The fact that the railway and road networks in Bosnia-Herzegovina are relatively well developed, which will enable each side to have an easy access to its territories, makes the issue easier to resolve.

According to some reports, the Moslem side have been given the best and the most expensive part of the railway and road networks along the rivers of Neretva and Bosna.

It seems that the remaining issues that have to be resolved by Moslems and Croats would not create a big problem in reaching an agreement on the map.

The regions in question are Posavina, northern Bosnia along the Sava River, and the Bosnian Serb republic's access to the Adriatic Sea which would be ten kilometres long starting from the Prevlaka Peninsula, on the border between Croatia and the Yugoslav Republic of Montenegro, towards the Croatian town of Cavtat.

The main territorial dispute between Bosnian Croats and Moslems is that of the central Bosnian town of Travnik, which Croats are expected to get in exchange for neighbouring towns of Kiseljak, Fojnica, Kresevo and Vares, the eastern part of the Neretva valley, the road to Mostar airport and some other areas.

Bosnian Serb leader Radovan Karadzic has recently warned that the territorial issues should be resolved with patience and readiness for concessions.

Mediators Confirm Plan Accepted

LD3007174793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1729 GMT 30 Jul 93

[Text] Geneva, 30 Jun (TANJUG)—The international mediators at the Geneva peace conference have officially confirmed that an agreement on the constitutional setup of Bosnia-Herzegovina has been reached. The agreement will be part of the overall peace agreement between the warring sides. A statement adds that the talks will resume on Saturday [31 July] to discuss maps.

Croatian President Franjo Tudjman has announced that an agreement will probably be signed on Sunday or Monday.

Sarajevo Radio Reports Agreement

AU3007182993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 30 Jul 93

[Report by Nada al-Isa from Geneva]

[Text] It has finally been a day of concrete agreements in Geneva. It has been agreed that Bosnia-Herzegovina remains a state. It will consist of three republics that cannot be exclusively based on the ethnic principle. The state of Bosnia-Herzegovina will be an international entity and will be a member of the United Nations. Human rights will be respected in the entire country. This is the most important conclusion of today's numerous talks in Geneva. This has been decided after the session of the Bosnia-Herzegovina Presidency, the meeting of the leaders of the Bosnia-Herzegovina, Croatian, and Serbian delegations with the international cochairmen, and after talks between the Presidency members and the international cochairmen. What remains are discussions on the authorities of the future state.

This partially-accepted plan on the future organization of Bosnia-Herzegovina has been based on the proposals of all three delegations, that is, the Bosnia-Herzegovina, Serbian, and Croatian ones. Lord Owen and Thorvald Stoltenberg then comprised an overall proposal for the organization of Bosnia-Herzegovina. That is why the international mediators are slightly angry with the journalists, who dubbed the new plan the Owen-Stoltenberg plan. They say that it is a joint plan, that is, based on parts of the proposals presented by the Bosnia-Herzegovina, Croatian, and the Serbian sides, and then the cochairmen took out the best, according to them, from all that was on offer.

After these talks, Bosnia-Herzegovina Presidency member Franjo Boras told us that now it could be said that Bosnia-Herzegovina was heading toward peace. He said that the Geneva talks were at the end, and that after them, he hoped, Bosnia-Herzegovina would have peace, and then in peacetime it would be possible finally to organize the state politically. Boras said that this plan did not fulfill all the wishes of all three nations, but it offered everyone the maximum possible at the moment. So Franjo Boras was optimistic, and we can say that his views were shared by Presidency members Mirko Pejanovic and Miro Lasic.

This is Nada al-Isa reporting from Geneva for Radio Television Bosnia-Herzegovina.

Izetbegovic: 'Preliminary Agreement' Reached

AU3007202193 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 30 Jul 93

[Interview with Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, by Mufid Memija in Geneva on 30 July—recorded]

[Text] [Memija] Mr. President, we have been informed that you have just finished the Presidency session. Can you tell us what went on today, and what the chances are for a final agreement on peace in Bosnia-Herzegovina?

[Izetbegovic] I can say that the first part of the talks, let us call them that, finished about an hour ago, the part that concerns the constitutional principles. Over all these days, we have had very hard negotiations, hard bargaining about the constitutional principles on which Bosnia-Herzegovina would be organized. I think that we have reached the preliminary, I repeat preliminary, agreement on having Bosnia-Herzegovina turned into a union of republics of Bosnia-Herzegovina. It would consist of three republics: The Bosnian one, the Serbian one, and the Croatian one, called that conditionally. The country would remain in its external international borders and a member of the United Nations. Therefore, it remains a state, and not a union of states, it remains within its present borders and a member of the United Nations, and of course the other organizations, basically the United Nations, of which it is already a member.

[Memija] I would like to ask you, Mr. President, what internal authority will be retained by the union in relation to these republics?

[Izetbegovic] Well, that remains to be agreed upon, the authority, but by the very definition that it is a state, it will retain significant authorities. These authorities have not yet been definitely established. As I have said, the negotiations are very hard as this is really a clash between two concepts, the confederal one contained in the so-called Serbo-Croatian proposal, and the federal one that we presented. So, many things have still not been detailed, but a lot of effort went into this definition, to state that it is not a union of states at all but a state. That was finally achieved today. We believe that it is very important.

Of course, I keep insisting that this is just a preliminary agreement, and we can only talk about a package, about the overall solution for it to be all over. The most important issue that remains is the maps. The hardest part of the job remains. Everything that we have reached so far will be worthless if there is no agreement on the maps. We are talking about the so-called Bosnian republic, that is what it has been called. We will accept the demarcation, the establishing of the internal borders but under the following conditions:

First, it has to be a territory on which at least 2.5 million people lived before the war.

Second, it, our republic, the Bosnian republic within Bosnia-Herzegovina, it has to have access to the Sava river and the sea.

Third, it has to be a geographic and economic entity, that is, it has to be able to function, to live.

[Memija] Let me ask you, in this preliminary phase of the talks on the future organization of Bosnia-Herzegovina, did you talk about any deadlines?

[Izetbegovic] [words indistinct] some definitions are constantly set. You can imagine that the basic problem to solve here is whether Bosnia-Herzegovina survives as a state, as the tendency was to disintegrate it as a state, and to create three states out of it. These states would be very loosely tied into some kind of a confederation. I think that we have managed, after these four days of very hard and exhausting talks, to keep it defined as a state. But a whole series of details have to be worked out in the (?text) in that construction. Of course, many issues remain.

However, all this is valid only if it is respected to our satisfaction and with us. But I think that what remains to be worked out is, particularly, the map of the Bosnian republic, which has to satisfy the interests of the Bosnian people.

[Memija] Mr. President, have you been informed about the events today in Bosnia-Herzegovina and [words indistinct]

[Izetbegovic] Yes, I have been informed. I have been in contact with the commander two or three times every day [words indistinct] and Mr. Ganic [Bosnian vice president]. I know what happened. Maybe that is one more reason to seek a way out of this war. You see, when such things happen, two conflicting emotions can emerge: to seek a way out at any cost, to seek a way out, or to go all the way. I think that we have to keep a level head, and seek a way out of this inferno, to get peace without sacrificing the people. That is what we set ourselves as the task. I would like to tell you, [word indistinct] our viewers and listeners, that it is [word indistinct] the agreement one day, when the talks are over on various open issues, is to receive clear international guarantees that (?the agreement will be respected). We will not regard the agreement as reached unless such guarantees are built into it. What is important to stress here is that we do not regard ourselves, here, as authorized to sign anything definitely.

[Memija] If I may notice that, before you left for Geneva, you (?received international guarantees) that the humanitarian situation in Sarajevo would improve. However, [words indistinct] civilization.

[Izetbegovic] Unfortunately. We have been in a dilemma all these days concerning the situation on whether to up and go back there, as the people would say. However, we do not know whether that would have been a wise move taking into account the situation in Bosnia-Herzegovina, in Sarajevo, in Brcko, in Mostar, in Gorazde, and elsewhere, whether that would have solved anything. The fact is that it would not have solved anything. This is a way of solving that. The way out of the war has to be sought. We have estimated that there can be no winners or losers in this war. This war would have to be fought for another two or three years in order for someone to emerge as a victor and someone else as a loser. We want to stop this war before the winter. Of course, I think that, at the same time, we are managing to defend our basic values, (?to fight for our Bosnia, for Bosnia-Herzegovina as a state) and the Bosnian people. That is our first priority.

Let me just say that what we would possibly sign here is only of conditional value. We will (?present it) to the Bosnia-Herzegovina Assembly to ratify such an agreement or not. It will be of no consequence before the Bosnia-Herzegovina Assembly gives its blessing to it. But for that occasion, and this is only my proposal, we will probably ask for an extended Assembly, so at least another 100 [word indistinct] of our public workers, people from cultural life, other spheres of life, religious communities, intellectuals, and people who could be invited on that occasion to the Assembly to decide together [words indistinct]. Until then all our work here [words indistinct].

[Memija] Is this [words indistinct] to Bosnian refugees, the (?persecuted) Muslims in Croatia? Is it linked with the attempts to force the Bosnian side into accepting the Serbo-Croatian agreement in Geneva?

[Izetbegovic] Whether that was its aim or not, I really do not know. These are sorry things that are happening there. But they are reason more to seek a way out. However, regardless of whether that was the motive, it has not worked, as we did not accept the confederal concept. We remained firm on the state concept. I intervened with President Tudjman here about the events there. He contacted Zagreb last night, and told me that it was only a matter of a routine police control of people without papers, and there are very many of them. He said that there were refugees from Bosnia-Herzegovina among them, but also Romanians, and all sorts of foreigners who were there for no clear reason. There were told that, like in any other country, they had to have raids every now and again, as it is a state of war, and so on. That is how he explained the incident. He said that it was exclusively a routine police control.

However, I hear today that it has continued. We will have to do something about it.

[Memija] It has continued and, unfortunately, these routine controls end for these miserable people somewhere in Ljubuski, or Imotski, where they are used for exchange for the Croatian Defense Council fighters.

[Izetbegovic] All this only means that this war must end as soon as possible.

[Memija] Mr. President, thank you very much. We wish you further success in the Geneva negotiations. Could you predict, now, when you might be returning, that is, when this round of talks might be over?

[Izetbegovic] It is very hard to predict that, even though I can say that these are very difficult days here, extremely difficult days. They start at 0900 in the morning, and end at 0100 or 0200 after midnight. They are very difficult psychologically. Decisions have to be made. Every time one has to ask oneself, we here always ask ourselves whether to agree since the alternative is the continuation of war. We are under a tremendous pressure from that alternative.

You have to believe us, we do not want to prolong our stay here in the least. This is an extremely unpleasant stay here. I cannot wait to return. I cannot say how long it will last as sometimes the simplest of things, what appear to be simple things, are sometimes dragged on for hours in these talks. For example, about a word that should be used.

[Memija] So the final decision will be made by the competent bodies of the Assembly and others.

[Izetbegovic] Yes.

[Memija] Thank you very much, Mr. President.

[Izetbegovic] Thank you.

Karadzic on Compensation

LD3007191393 Rome RAI Due Television Network in Italian 1745 GMT 30 Jul 93

[Interview with Bosnian Serb leader Radovan Karadzic by correspondent Franco Biancacci in Geneva on 30 July; Karadzic speaks in English with superimposed Italian translation—recorded]

[Text] [Biancacci] Will you accept the mediators' new plan?

[Karadzic] There is something in this plan which we are not completely certain about. But I think that we will all have to accept it, after all, to achieve peace.

[Biancacci] But you know that in that case you must send your soldiers, your army, home.

[Karadzic] I would be the happiest man in the world. If we do not need it, why keep it working?

[Biancacci] Do you think the others will do the same thing?

[Karadzic] I should say so, both for economic reasons and for the sake of peace. We would be the first European country to be completely disarmed, demilitarized, and civilized.

[Biancacci] There has been talk of compensating the victims of ethnic cleansing. How will you repay the lives of at least 200,000 dead?

[Karadzic] Listen, if we had to take into account the 700,000 Serbs who have been killed by Muslims and Croats since the end of World War II [as heard], I wonder who should pay.

Milosevic on Agreement

AU3007195593 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 30 Jul 93

[Exclusive interview with Slobodan Milosevic for Belgrade Television by Zoran Jevdjovic in Geneva on 30 July—recorded]

[Jevdjovic] After two plenary sessions between the delegation heads, held today at the conference on the future of Bosnia-Herzegovina here in the Palace of Nations in Geneva, it is clear that we can be satisfied. Mr. President, can you tell us first-hand what has been adopted, what kind of agreement has actually been reached, and whether we can be satisfied with it?

[Milosevic] I believe that we can very satisfied with the result of the talks that we have conducted these past three days in Geneva. Namely, I am very pleased that our public will be informed about this moment, that we have achieved full accord on the constitutional agreement of the three republics from the former Bosnia-Herzegovina. The republic of Srpska, the republic of Herceg-Bosna, and the republic of Bosnia.

We have been coordinating this concept for a very long time, and what we have here is not an acceptance of constitutional principles. It is a much greater result. We have here the acceptance of the entire constitutional agreement by the three republics, a constitutional agreement about a union of Bosnia-Herzegovina republics. The three we are currently discussing.

Simply, at the moment, we can say that we have gone a very long way in order to achieve this accord. Every letter, every word, has been coordinated. All three sides are in accord. What remains is that we talk about the remaining issues concerning the maps. However, we can say that the greater part has been agreed upon.

[Jevdjovic] What does this mean, practically? Can you clarify this, three republics within the framework of a union in Bosnia-Herzegovina? Does that actually mean that the republic of Srpska, and the other national entities are retaining their territories, and some kind of sovereignty on their territory?

[Milosevic] Certainly, that is so. In this way the republic of Srpska is fully affirming its identity. As far as the territory is concerned, that will be the subject of negotiations that still have to be held here. Today, all of us together assessed, when we concluded the greater part of the job, that we have achieved a new quality in mutual coordination of the three sides. Namely, they are now complete, they are in direct contact, so President Tudjman and myself, together with the cochairmen, have assessed that a phase of their [the three sides] mutual, direct coordination is now at hand.

Therefore, we can say that we have concluded our part of the business. Of course, we are ready to, once again, directly participate in the negotiations, should all three sides and the conference cochairmen assess that this is necessary. However, I hope that the remaining issues will be most successfully and directly resolved in direct negotiations with delegations, headed by [Bosnian President] Izetbegovic, [republic of Srpska president] Karadzic, and [Croatian community of Herceg-Bosna president] Boban. Here in Geneva.

We have made a suggestion—and it has been accepted—that talks, negotiations that is, should not be discontinued, but rather that the three delegations, headed by Karadzic, Izetbegovic, and Boban should resume as early as tomorrow. So that they can go on coordinating the remaining issues that concern certain annexes to the constitutional agreement, and that concern the remaining open issues of the maps. I wish to stress that, in my opinion, even these issues have been directed toward a successful solution.

[Jevdjovic] Can we say that, at the conclusion of these negotiations, we have reached standpoints that Serbia has been advocating practically from the very beginning of this tragic conflict?

[Milosevic] I believe that it is quite logical that there could not have been any other, realistic, serious, just approach to the solution for Bosnia-Herzegovina, other than the approach that will secure the affirmation of interests of all three peoples, the affirmation of the interests of all three sides in the conflict, because only an honest agreement, which has not been drawn up to the disadvantage of any one side, can form the basis of a lasting peace.

If this agreement is not entirely just, then it cannot be a oasis for a lasting peace. I expect that this agreement, along with the resolution of the remaining issues in the direction of which I have spoken earlier, will truly be a basis for a lasting peace.

[Jevdjovic] One more thing. Does this mean that there is no more danger of a unitary Bosnia-Herzegovina, and that the Serbs in Bosnia-Herzegovina can sleep serenely after this constitutional agreement?

[Milosevic] I think that the Serbs in Bosnia-Herzegovina, or better yet, in the republic of Srpska, can sleep quite serenely after this constitutional agreement. Simply, this constitutional agreement affirms the Serbian republic, but of course, in the same way in which it affirms the republic of Bosnia, and the republic of Herceg-Bosna. Moreover, in their relations, they will now negotiate, themselves, about what they want to cooperate on and aid each other in. In the same way, they will be able to decide which things they should do independently. In any case, I would venture to say that this is a status of three truly independent republics that will form the union of Bosnia-Herzegovina republics.

[Jevdjovic] I believe that this will initiate a more perspective outlook for the republic of Srpska and Yugoslavia. We hope that this will remove an enormous burden from the shoulders of our state?

[Milosevic] Every single one of our citizens is aware just how great a burden was shouldered by the republic of Srpska, helping, expressing its solidarity with our people outside of Serbia. It is now evident that this effort, the self-denial, that all this that we have had to go through in these past few years, was worthwhile. It deserved this help, this self-denial. I hope that we are now facing a process of complete normalization, and I hope that even the toughest protagonists in the imposing and maintening of sanctions against the Federal Republic of Yugoslavia will now lose their arguments for maintaining them further.

I believe that this will be achieved very soon, and I believe, I expect, that the remaining part of the talks in Geneva will confirm this.

[Jevdjovic] To put it in nutshell, better days are in store for us?

[Milosevic] Certainly.

[Jevdjovic] Thank you.

NATO Council To Discuss Bosnian Situation

AU3107175693 Paris AFP in English 1735 GMT 31 Jul 93

[Text] Brussels, July 31 (AFP) - The 16-member council of NATO will meet in Brussels Monday [2 August] regarding Bosnia-Herzegovina, at the request of the United States, a spokesman for the Atlantic alliance said here Saturday.

An American administration official in Washington said earlier that NATO member states were being asked to discuss possible air strikes to end the siege of Sarajevo and other towns in the war-ravaged former Yugoslav republic.

The NATO council meeting would begin at 1300 GMT, the NATO spokesman said. He was unable to confirm the agenda or say if ministers or ambassadors would attend.

World Court Sets 25 Aug for Bosnian Case

AU3007121593 Paris AFP in English 1141 GMT 30 Jul 93

[Text] The Hague, July 30 (AFP)—Bosnia's latest appeal to the World Court to stop rump Yugoslavia from annexing it "by means of genocide" is to open here on August 25, officials of the International Court of Justice said Friday [30 July].

A 10-point suit filed by the Government of Bosnia-Herzegovina said Yugoslavia (Serbia and Montenegro) had violated three protection measures set by the court in April.

Noting that Bosnia was a member of the United Nations, the petition said Yugoslavia, "in addition to continuing its campaign of genocide against the Bosnian people—whether Moslem, Christian, Jew, Croat or Serb—is now planning, preparing, conspiring to, proposing and negotiating the partition, dismemberment, annexation and incorporation of the sovereign state of Bosnia-Herzegovina by means of genocide."

Setting out the requested provisional measures, the suit names Serbian President Slobodan Milosevic and says Yugoslavia and all its public officials should immediately desist from all efforts to annex Bosnia, and should immediately halt direct or indirect provision of military and other aid to any military or other movements in Bosnia.

Citing the Geneva Genocide Convention of 1948, the petition said the Bosnian Government must have the ability to obtain military supplies in current circumstances in order to fulfill its obligations.

The court turned that request down in its April hearing, upholding a U.N. arms embargo against the former Yugoslavia.

Former Prime Minister Fatos Nano Arrested

AU3007184493 Tirana Radio Tirana Network in Albanian 1730 GMT 30 Jul 93

[Text] The spokesman of the Tirana District Prosecutor's Office declared to ATA that, on the basis of the reports denounced by the State Control Service and the investigations that were carried out, the Tirana District Prosecutors' Office arrested Fatos Thanas Nano, former Prime Minister for the period 25 March 1991 to 4 June 1991, on 30 July, only two days after the Albanian Parliament lifted his immunity.

He was arrested for abuse of duty and falsification of official documents concerning the damage caused by Italian aid.

The arrest of Fatos Nano was executed at 1430 [1230 GMT] today.

Related to this case, the Prosecutors' Office also arrested Robert Gjini, former deputy trade minister, and Hasan Hallko, former director of the Food Directorate at the Trade Ministry.

Investigations continue.

Socialists Rally To Protest Arrest

AU3107141393 Tirana ATA in English 1024 GMT 31 Jul 93

["Socialist Opposition Protests the Arrest of its Leader Fatos Nano—Rally of the Socialist Party in Tirana"—ATA headline]

[Text] Tirana, July 31 (ATA)—Three hours after the arrest of the socialist leader, Fatos Nano, the Socialist Party held a rally of about 5 thousand people in front of the Dinamo Stadium in his support. The socialist leaders, Servet Pellumbi, Namik Dokle, Musa Ulqini, Gramoz Ruci, and others called on people to take "powerful democratic action in order not to let the ideals of democracy be sacrificed." Servet Pellumbi, one of the major leaders of the party after Nano, accused the parliament of "dividing the people." Namik Dokle, chairman of the parliamentary group of the Socialist Party, appealed to President Berisha, Premier Meksi, and other government leaders "to listen to the voice of the socialists, as the most significant opposition party in Albania." Another socialist deputy, Musa Ulqini, said that "the country is moving toward complete political and economic chaos. We have gathered to protest the unjust arrest of Fatos Nano."

Deputy Gramoz Ruci said that "we all love democracy" and called on the crowd of people to head for Scanderbeg Square. This marked the end of the legal meeting and the start of the unauthorized activity. At the head of the crowd, Ruci and the other socialist deputies confronted the police forces for one hour in Miqesia Street, only a few meters from the original meeting place. In spite of the efforts of the police, the leaders of the demonstration were finally able to address 300 sympathizers, who were encircled by other onlookers in the square, thus violating their agreement with the police.

After a few minutes, the crowd of socialist sympathizers gathered at the site where Hoxha's statue was formally located. At that time a group of Democratic Party sympathizers gathered spontaneously on the steps of the Palace of Culture in support of the arrest of Nano and called him "thief and swindler." They chanted slogans against communism and in support of President Berisha and Premier Meksi and the government. A part of the Socialist Party sympathizers, encouraged by their leaders, kept on protesting in front of the seat of the Socialist Party. The socialist leaders repeated the previous slogans from the balcony. They demanded the release of Nano, who is charged with abuse of office and falsification of the official documents while he was prime minister.

Police Arrest Rally Organizers

AU3107182693 Tirana ATA in English 1206 GMT 31 Jul 93

["Leaders of the Socialist Party Stimulate an Illegal Rally in Scanderbeg Square"—ATA headline]

[Text] Tirana, July 31 (ATA)—The spokesman of the Ministry of Public Order reports that upon the request of the Committee of the Socialist Party, a rally in favour of Fatos Nano was organized on July 30, 1993. The forces of order had taken all measures for the rally to be conducted according to law. The spokesman informs that the Deputy Gramoz Ruci, together with Pellumb Vladi, secretary of the Committee of the Socialist Party, and former members of the notorious 326 unit [special sigurimi unit], demanded to interrupt the legal rally and to head for Scanderbeg Square through the main streets of the capital.

The forces of order tried to stop them, but the organizers and their followers wanted to realise their objective.

Thousands of citizens of Tirana who were in Scanderbeg Square opposed them with their slogans and only the interference of forces of order eliminated a confrontation of grave consequences. The forces of order arrested the main organizers and participants in this illegal demonstration and they will be tried.

The Ministry of Public Order informs the citizens that it will not allow any illegal manifestation of any political force and it will make use of all means and adopt all measures envisaged by law.

Government Statement on CSCE Mission in Kosovo

LD3107172893 Tirana Radio Tirana in English 1430 GMT 31 Jul 93

[Text] On the joint decision of the countries of the CSCE, the issue of the presence of the long-term observation missions of the CSCE in Kosovo, Sandzak and

Vojvodina is passed on for discussion to the Security Council of the UNO [as heard]. In regard to this act, the Albanian Government has launched a statement which stresses that this move once again proves the determination of the CSCE and of all world community to put an end to the aggressive operations of the Serb rule as they are [as heard] to prevent the expansion of conflict to the south.

The statement of the Albanian Government values the serious concern of all member-countries of the CSCE, USA, European Community and other European countries in regard to the decision of the Belgrade government not to allow the presence of these observation missions to carry out their activity in those regions. This is an important act of determination and of forewarning for Belgrade, points out the statement. But we must (admit) that (we) are still far beyond their punishment for the crime of ethnic cleansing. The Government of the Republic of Albania enthusiastically hails this move undertaken by the Security Council of the UNO to examine this issue. It expresses its gratitude for the contribution the CSCE and all the world community are making to prevent the expansion of conflict in other regions, including Kosovo, which is the most threatened one. A war in Kosovo couldn't have meant an international problem of Serbia alone, continues the statement of the Albanian Government, but of all Balkan (as heard) and further afield.

The Government of the Republic of Albania, deeply preoccupied for the fate of more than 2 million Albanians living in Kosovo under the pressure, oppression and provocation of Serbia regime, expresses the confidence that the Security Council of the UNO will adopt the necessary decision and measure. On the other hand, it assures the Security Council that it will continue to make all efforts to contribute in the prevention and the expansion of the conflict and for the finding out of a solution which could have replied [as heard] the vital interests of the peoples living there, particularly the Slav-Muslim population, which is a victim of the unprecedented massacre in the history of the period after World War Two, concludes the statement of the Albanian Government.

Zhulali Returns From Negotiations in Italy

AU3007180093 Tirana ATA in English 1006 GMT 30 Jul 93

[Text] Tirana, July 30 (ATA)—After the negotiations with Mr. Fabri, Italian minister of defence, the Albanian Minister of Defence Safet Zhulali met with the Italian President Scalfaro, the Italian Foreign Minister Andreatta, and the Foreign Secretary of State of Vatican Monsignor Tyfon.

Negotiations focused on problems of bilateral relations and the situation in the Balkans.

The spokesman of the Ministry of Defence reports that after the successful visit in Italy, Mr. Zhulali and the delegation he leads returned in Albania.

EC Provides Credit to New Businessmen

AU3007180193 Tirana ATA in English 1008 GMT 30 Jul 93

[Text] Tirana, July 30 (ATA)—The leader of the EC project for the small and medium enterprises (SME), Mr. Jeff Hoten, has stated that a credit worth 1.1 million ecu [European currency unit] has been provided for the Albanian new businessmen. Their number has amounted to 152 and will increase in the future. The board of the Regional Business Agency also includes the mayors of every region, representatives of the private association, of the bank as well as two experts from the SME. This free structure helped with credits and speedy training many persons in Albania.

This project, which is active in Albania, is considered as the most successful EC project for the SME in the East European countries.

Berov Denies Socialist Party Pressure

AU3007155393 Sofia Bulgarska Televiziya Network in Bulgarian 1700 GMT 29 Jul

[Interview with Prime Minister Lyuben Berov, by reporter Shishmanova—live or recorded]

[Text] [Shishmanova] Professor Berov, would you deny the fact that each no-confidence vote against your cabinet makes it increasingly dependent upon the Bulgarian Socialist Party [BSP]?

[Berov] I would definitely deny this fact, because our cabinet enjoys the support of a specific number of parliament members, who are convinced that our cabinet is protecting the national interests, rather than enjoying the support of certain political parties.

[Shishmanova] According to rumors, The BSP submits its requests to you prior to nearly every important vote in parliament, or on the occasion of any crucial situation whatsoever, and respectively gets something from you.

[Berov] Why do you refer only to the BSP, while two other political forces are also supporting the government with their vote?

[Shishmanova] This applies to them as well. Do you mean that you do not depend on any political force?

[Berov] I have already answered your question; I told you that it is not the case. However, what one should point out is the fact that the results of each no-confidence vote erode the prestige of a certain parliamentary force, and the fact that Deputy Adzharov raised the question of repentance in yesterday's debate prompts me to say that it is high time for a certain parliamentary group to repent next September. However, if it insists on proceeding further along the same path, it is definitely bound to disgrace itself.

[Shishmanova] To what extent are the demands for the completion of the land reform affecting your relations with the president of the Republic?

[Berov] We have no disagreements of principle on the point. I mean disagreements on principle in the context of discussing the existence of the liquidation councils. Even the BSP accepts the fact that the liquidation councils should be released from their duties, as soon as they have accomplished their tasks. Naturally, we shall express our gratitude to them for having served a useful cause, and so forth. Hence, there is no....

[Shishmanova, interrupting him] Hence, there has been no conflict between you and Mr. Zhelev on the occasion of your recent meeting in the Presidency?

[Berov] There has been no conflict, of course. Otherwise I would not have gone to see him off at the airport today.

RDP Leader Yordanov Negotiates With Zhelev

AU3007175993 Sofia KONTINENT in Bulgarian 28 Jul 93 p 2

[Miroslava Belcheva report from Sofia on 27 July]

[Text] After the Liberal International suspended the procedure for accepting the RDP [Radical Democratic Party] as a member because of the antipresidential policy of the SDS [Union of Democratic Forces], RDP leader Aleksandur Yordanov had a meeting with President Zhelyu Zhelev, who is a full member of the international forum in question, to discuss the possibility of reaching a compromise. Under the Liberal International charter, the Radical Democrats cannot join it without Dr. Zhelev's recommendation. The RDP leader asked the president to give his blessing, which he failed to do two weeks ago at the international conference in Tallinn.

According to a source who is fully in the picture (a National Assembly deputy and member of the SDS National Coordinating Council), at the meeting with Yordanov Dr. Zhelev set conditions: Either the RDP should leave the anti-presidential blue [SDS] coalition, or it should persuade the SDS to reestablish its former loyalty to the head of state. The president wanted the SDS to seek future allies among the pro-presidential political forces, and suggested closer cooperation with Moser's BZNS [Bulgarian National Agrarian Union]. According to the source, the second condition set by the president for interceding on the RDP's behalf was that Khristofor Subev should be politically isolated and that the SDS should deny him support for his ecclesiastical initiatives. The discussion at the meeting also touched on the question of showing more tolerance toward Patriarch Maksim. We did not discuss adopting any position toward Zhelyu Zhelev different from that held by the SDS National Coordinating Council, Mikhail Nedelchev [RDP deputy chairman] stated today [27 July].

The RDP does not approve of the anti-presidential policy conducted by the SDS, Anastasiya Mozer declared today. She has had several meetings with Aleksandur Yordanov. The leadership of the Christian Democratic Union outside the SDS claims that the RDP will soon leave the SDS coalition. Nikolay Vasilev [chairman of Alternative Social Liberal Party] also believes this will happen.

Parliament Assesses National Bank Activities

AU3007195893 Sofia BTA in English 1534 GMT 30 Jul 93

[Text] Sofia, July 30 (BTA)— Today parliament passed the 1992 report of the Bulgarian National Bank discussed on Wednesday.

The anti-inflation policy of the Central Bank was relatively successful, National Bank Governor Todor Vulchev said at the discussions. Inflation remained high but was under control. In its foreign exchange policy the central bank sought to maintain a relatively stable exchange rate, Prof. Vulchev said two days ago.

The expenditures of the bank itself in 1992 were calculated at about 1,500 million leva but only 600 million leva were spent, 3.4 million of which for printing banknotes. Prof. Vulchev described control over the work of the Bulgarian National Bank as a problem due to the absence of a general accounting office law. He proposed that parliament appoint a chief auditor of the bank until such a law is passed.

The Parliamentary Budget and Finance Committee and the Economic Committee assessed positively the work of the National Bank in 1992.

Today parliament elected Prof. Todor Vulchev as National Bank governor and former central bank vice-president Gancho Kolev and Mileti Mladenov deputy governors. The three of them were elected president and vice presidents respectively by the previous parliament. But the Bulgarian National Bank Act passed later regulating the principle of the independence of the bank provides for the governor and three deputy governors to be elected by parliament and for the other five members of the governing board to be appointed by the president. Bulgarian National Bank executive Director Emil Khursev was not elected deputy governor today.

Zhelev on Visit to Kazakhastan, Kyrgyzstan

AU3107182893 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 31 Jul 93

[Text] [Announcer Velichko Konakchiev] One hour ago, the plane carrying President Zhelyu Zhelev back from his visit to Kazakhstan and Kyrgyzstan landed at Sofia Airport. With me in the studio I have reporter Khristo Khristov, who covered these visits as our special correspondent.

[Khristov] At lunchtime today, at the invitation of Kyrgyzstan President Askar Akayev, Dr. Zhelev made an official visit of only a few hours. At the Bishkek, formerly Frunze, airport, he was welcomed with military honors. In addition to President Akayev, the welcoming party included Prime Minister Tursunbek Chingyshev and the ministers of foreign economic relations, industry, and trade of Kyrgyzstan.

After the welcoming ceremony, the motorcade set off for the governmental residence [name indistinct], where the two presidents held talks for half an hour. Subsequently, a joint Kyrgyz-Bulgarian communique was signed, stating that the two sides agree to consolidate and expand their mutually beneficial economic, scientific, and technical cooperation. During the talks, the two presidents briefed one another on the political and economic situation in their countries and exchanged views on bilateral relations, cooperation, and regional and international problems.

The communique assigns the two countries' Foreign Ministries the task of drafting documents to provide a legal and treaty basis for bilateral relations.

Zhelyu Zhelev invited Kyrgyzstan President Askar Akayev to visit Bulgaria. The invitation was accepted with thanks. Later, [Bulgarian] Foreign Minister Svetoslav Daskalov and [Kyrgyzstan Foreign Minister] Ednan Karabayev signed an agreement on cooperation between the two Foreign Ministries.

President Zhelyu Zhelev assessed the results of the two visits for Bulgarian National Radio, at an altitude of 11,200 meters on board his special aircraft. I hope that the noise of the engines on the recording will not prevent you from hearing the interview, dear listeners.

[Begin recording] [Khristov] Mr. President, in an hour and a half your plane will land on native soil. You have probably already evaluated your impressions from the numerous meetings, conversations, and contacts that you have had in the two Central Asian countries. How would you assess them?

[Zhelev] I believe it was a successful visit; in Kazakhstan we succeeded in signing six or seven documents, including a treaty on developing friendly relations and cooperation between our two republics. Thus, we had an opportunity not only to maintain our positions but to promote them in the conditions of the market economy, where our relations will be based on different principles and involve different participants.

[Khristov] What did you think of your meetings and discussions during your two-hour visit to Kyrgyzstan?

[Zhelev] My talks there were also very interesting and were held in a very friendly atmosphere. They revealed a surprising knowledge of Bulgaria, Bulgarian history, and our economy, as well as a readiness to institute extensive cooperation. Kyrgyzstan is familiar with Bulgarian goods, our food and tobacco industry and its products, all of which provides exceptionally important prerequisites for us to reestablish our market positions and greatly expand our presence there in the future.

[Khristov] I thank you, Mr. President, on behalf of our Bulgarian listeners. [end recording]

Baudys on Soldiers' Health Problems From Gulf War

AU3007172893 Prague MLADA FRONTA DNES in Czech 29 Jul 93 p 2

[Interview with Defense Minister Antonin Baudys by Jaroslav Kmenta; place and date not given: "The Defense Ministry Did Not Have To Have Approval From the United States"]

[Text] Prague—Defense Minister Antonin Baudys did not have to consult U.S. representatives regarding publishing information on the fact that the Czechoslovak unit in the Persian Gulf positively measured the presence of the nerve paralyzing substance, sarin. "As regards rumors that Americans have forbidden us to publish some information from the Persian Gulf war, I can responsibly say that this is pure nonsense," the defense minister said in an interview for MLADA FRONTA DNES.

[Kmenta] Why, then, have you only now confirmed the truth of the fact that our unit in the Gulf found trace concentrations of sarin?

[Baudys] Unfortunately, I found out about this information only this week. Before that, this information was not available.

[Kmenta] You have said recently that, in certain situations at the ministry, you feel as if you were a part of certain intelligence games.... One month ago, when you said that no records on sarin had been found, you did not have the pertinent information available. Could it be that someone played an intelligence game with you?

[Baudys] Unfortunately, there is still this belief out there that a minister issues an order and everything is flawlessly executed. This is not always the way it is. For instance, you do not have perfect people available, a management that would function, well-arranged archives, etc.

[Kmenta] Some American and British participants in the Gulf have health problems. In our country, about ten veterans, so far, have reported various health problems.

[Baudys] Health problems of the extent that the Americans and Britons are having have not been reported in our country, according to the information I have. Our soldiers, however, do have some health problems. At present, we are trying to find out whether their problems are connected to their presence in the Persian Gulf. For example, the commanding officer, about whom you brought information, had the Australian antigen in his blood even before the war.

[Kmenta] Do you know about other Czech soldiers having problems?

[Baudys] I have more names. However, I do not want to speak about it for the time being. It cannot be ruled out that a number of our soldiers could use the situation that arose owing to information on the desert fever. Not everything can be blamed on the Gulf War. Maybe the health problems may have origins there, maybe not.

[Kmenta] When will you be able to adopt a more complex standpoint on the entire matter, and what documents are you studying now?

[Baudys] In September, approximately. We are reviewing statements by commanders, the war log of the unit, diaries of some soldiers, and reports regarding possible contamination. I am going to find about the history of soldiers' activity before and after the war. I would hate to give the impression that the Defense Ministry is distancing itself from this matter.

Foreign Ministry Statement on Lebanon

LD3007205993 Prague Radiozurnal Radio Network in Czech 2000 GMT 30 Jul 93

[Text] The Czech Republic Foreign Ministry appealed to all parties involved in the Middle East conflict to end the chain of violence. In its statement the ministry voiced its concern over current developments in southern Lebanon and the violence resulting in human and material loss. According to the statement, the Middle East peace talks are threatened as well. The Foreign Ministry supports the sovereignty, independence, and territorial integrity of Lebanon and all other countries of the region. The ministry holds the opinion that the right to security of all countries of the region is necessary.

Official Discusses Telecommunications

AU3007131993 Prague HOSPODARSKE NOVINY in Czech 29 Jul 93 p 8

[Article by Ladislav Chrudima, deputy economy minister: "Noise in Telecommunications; About the Privatization of SPT Telecom"]

[Text] We all know that noise. We pick up the phone, and instead of a voice, we hear peculiar tones or even news not intended for us. It is the noise that can obliterate any mutually comprehensible communication. Recently, however, we have been able to detect other noises. They concern the privatization and development of telecommunications. By this article, I do not intend to start any polemics. Since, however, so far, no journalist have managed to interpret, without the noise in the channel, that which we intended to communicate, I want to attempt it once more and without any mediators.

There Are Two Projects

The first frequent interference originates in rumors on the project, while, in fact, the discussion has focused on two projects. The first is the privatization of SPT Telecom, the other is the Telekominikace project for the development of the telecommunication network until the year 2000. How are the two projects related? Undoubtedly, the objectives of the development project certainly form the basis for the business plan of the privatized enterprise. There is, however, another frequently discussed correspondence—the financing of the development project. The privatization project is designed so as to enable the privatized SPT Telecom company to accept foreign investments, and that approximately up to 37 percent of the value of its equity. These foreign investments should help to cover the overheads of the development project. Otherwise, these projects are completely independent from one another. They are approved by different procedures (the development project is, for instance, an explicitly company business, while the decision regarding the privatization project is in the hands of the government), their deadlines differ, and they deal with different issues.

Foreign Capital Does Not Participate in Privatization

This "interference" is of a more essential character. It has often been rumored that SPT Telecom will be privatized with the aid of foreign capital. That is not true. The privatization of SPT Telecom is proposed as follows: The National Property Fund (i.e. the state)—70 percent; coupon [privatization shares]—26 percent; the restitution fund—3 percent; and foundations—1 percent. The property of the National Property Fund will remain in its possession and at present cannot be sold (without the approval of the government) to any private investor (including domestic ones). The assets of SPT Telecom will be privatized in the second wave of privatization, solely by Czech capital.

When Is the Foreign Capital To Come?

In its Resolution 642 of November 1992, the government agreed—with the objective of securing funds to finance the development project—to allow foreign investors into the project, and this should be done through an issue of new shares that would not reduce the relative value of the National Property Fund's holding to less than 51 percent (the absolute value will not change). This translates to an increase in assets of approximately 37 percent of the original value, or 27 percent of the new value. This would result in the following ownership distribution: The National Property Fund (i.e. the state)—51 percent; "coupon" owners—19 percent; the restitution fund—2.2 percent; foundations—0.8 percent; and foreign partners—27 percent.

The crucial point here is that the decision regarding the increased capitalization will have to be made by the general meeting of the shareholders of the new company (regardless of government approval). At this time, it is not yet clear whether the government will reserve itself the right of choosing the partners, but it would be desirable. This very approach indicates that a realistic deadline would be the last quarter of next year. Hence, the entry of a foreign partner is not a part of the privatization of SPT Telecom, but rather a part of the business strategy of the stockholding company.

Why Foreign Capital?

Why is it necessary to consider foreign investments? The answer is simple. The telecommunications development project assumes investments of 135 billion korunas by the year 2000. Of course, that is just the minimum. A realistic estimate of the absorption of the telecommunication market would be at least 200 billion korunas. SPT Telecom expects to invest, between 1986 and 2000, approximately 20-25 billion korunas annually. Nevertheless, the total volume of investment in telecommunications will be higher, somewhere around 35 billion korunas annually. This estimate is based on the role of private investment in telecommunications—be it the most popular part, i.e., cable television, or other services with added value (e.g. audiotext), and both cellular and fixed systems). I myself believe this estimate very modest.

The capital market in telecommunications will certainly be under a great pressure from the demand, and it is clear that domestic resources will not be able to satisfy it. Because of the high quality of investments in telecommunications, foreign investment will certainly be attracted here, and a company that would not be willing to accept them will disappear from the market.

Is There No Interest in Domestic Capital?

The minimum requirements of the alternative to the telecommunication development until the year 2000 are covered by, approximately, up to 100 billion korunas, and another 35-40 billion korunas will have to come from the capital market sources. The maximum of this requirement that the direct investments (foreign) under consideration can cover is 50 percent. That leaves room enough for other investors and the various forms of their participation. Moreover, if the actual situation on the markets allows it, the SPT Telecom investments will be increased and the volume of 135 billion korunas surpassed. (At the same time, the telecommunication services provided by this company will develop faster.) Under no circumstances would the domestic investors be outside the sphere of interest. There are concerns, however, that the SPT Telecom demand for investments would not be satisfied on the domestic market. The baptism of fire will be the first issue of bonds placed on the Czech capital market.

One can also assume that the government will not want to keep (through the National Property Fund) its 51 percent stake forever, and, that after 1995, these shares will be gradually placed on the market in (in several portions, before the year 2000). Thus, SPT Telecom could become a truly private company before 2000. Nonetheless, the government will have to make the decision.

Is It Necessary To Privatize All Telecommunications?

The last interference arises from the claim that, since the long-distance and international telephone service is highly lucrative (which is true), it would be foolish to privatize this part of telecommunications. It was moved that this sector be excluded from privatization (by means of a holding, for instance), and left 100 percent in the ownership of the state.

It is only seemingly true that this sector of telecommunications generates higher profits than the sector of the so-called local network. The sole reason for this sector registering higher returns is the completely artificial telecommunication tariffs, and these revenues are then transferred to those parts of the enterprise that, for the same reason, do not show a profit. A condition for subdividing SPT Telecom into several independent entities would have to be (as the minimum) the elimination of this deformity either by adjusting the tariffs (so-called redistribution) or by introducing significant connection fees between the local and long-distance networks (apparently for both). The local and the long-distance services would then show (on average) the same returns on the investment.

Disregarding the fact that the discussion on the "family heirloom" lacks, in this instance, any rational basis (telecommunications can not be taken away, nor can their work be halted or curbed), there are numerous technical difficulties that have not been sufficiently identified, and there is also the problem of regulating the sector. The sum of this would translate into an, at least, two-year delay in the privatization, and the eventual result would be, if not worse, certainly not better. It is not without interest that, during the preparations for the privatization project, two years ago, this alternative was seriously considered and it was rejected as the poorer choice for the aforementioned reasons and many other reasons that cannot be listed here.

It would be wrong to believe that this approach will lead to a faster demonopolization and liberalization of the telecommunication market. The road to liberalization does not go through the creation of local monopolies but rather through the introduction of new operators to the market. That should be the way for Czech telecommunications to take, and it should also be the focus of the telecommunication policy that has already found its reflection in the draft amendment to the law on telecommunications. That also is the direction followed by European telecommunications.

Union Objects to Value-Added Tax Increase

AU3007150393 Prague CTK in English 1742 GMT 28 Jul 93

[Text] Prague July 28 (CTK)—The Bohemian-Moravian Chamber of Trade Unions (CKMOS) has taken a stand on proposed changes to the tax law and the law on social and health insurance, CMKOS Vice-Chairman and Vice-Chairman of the Council For Economic and Social Agreement (RHSD) Vaclav Vanicek told CTK.

Unions are strictly against entrepreneurs' avowed goal of raising the value-added tax from the present five percent to seven or eight percent, CKMOS Secretary Jan Lavicka said. A measure like that would mostly harm people with low incomes, as it would entail grocery prices rising by at least two percent and fuels and energy by at least 2.5 percent, he added.

An RSHD commission of experts discussed the proposals in three rounds of Tripartite talks. The so-called Tripartite is comprised of representatives from the government, employers and labour unions.

The CKMOS sought to prevent a disproportionate shift in the tax burden from entrepreneurs to hired hands, Vanicek said.

Lavicka named the pension tax, value-added tax, tax limits, and health and social allocation bases as the topics of the expert commission's debate.

In connection with measures prepared by the government which would abolish price regulations on rent, fuel, energy and transportation, unionists claim the ensuing price jump would be totally out of proportion to what people are able to pay.

Also unacceptable to CMKOS was a proposal by entrepreneurs to lower the ceiling for allocations to health and social insurance payments. Unions are recommending the 13.5-percent rate be retained. CMKOS does not intend to oppose taxing pensioners' payments in the future, however.

The expert commission arrived at the opinion that it would not be appropriate to tax interest from savings deposits at more than the present 15 percent rate. CMKOS is endorsing the Finance Ministry's opinion to change the highest income tax rates: For example, the rate for physical persons with incomes over 1,080,000 crowns would be lowered from the present 45 percent to 43 percent, while incomes above 2,160,000 crowns would be taxed at 45 percent instead of the present 47 percent.

The commission's results will become background material for the Tripartite's negotiations at the end of August.

Manufacturing Prices Show 'Slight' Increase

AU3007200093 Prague HOSPODARSKE NOVINY in Czech 29 Jul 93 p 8

[Report prepared by the Czech Statistical Office Department of Prices Statistics and Foreign Trade: "A Slight Increase in June"]

[Text] After the more substantial price increases of January, monthly price increases in the manufacturing sector—as with consumer prices—slowed down only gradually over the first six months of the year.

In June (in comparison with May) only slight price increases were, in essence, recorded across the manufacturing sector. Industrial producers' prices and the cost of materials and products used in construction increased by 0.2 percent. Prices for construction work increased by

0.3 percent. Communications costs remained stable. However, the prices for drinking water and sewage disposal increased by 23 percent and 21 percent respectively.

Price increases from the beginning of the year to June (in comparison with December) were lower for industrial producers, at 9.3 percent, and for materials and products used in construction, at 11.7 percent. The cost of construction work rose by 15.2 percent. Communications costs increased by only 0.6 percent, while prices for drinking water and sewage disposal increased by more than 30 percent.

In comparison with the same period last year, the development of prices in the manufacturing sector was differentiated. Industrial producers' prices were 12.8 percent up in June; prices of materials and products used in construction 17.5 percent up; prices for construction work 23.4 percent up; and communications costs 22 percent up. The increase of over 200 percent for drinking water and sewage disposal was influenced by the increase in prices last year and this June. The smallest price increases are still being recorded among agricultural producers' prices. They increased by 1.8 percent.

Trade Surplus Reaches 901 Million Korunas

LD3007161393 Prague CTK in English 1426 GMT 30 Jul 93

[Text] Prague, July 30 (CTK)—In the first half of 1993, the Czech Republic exported some 165.6 billion crowns (5,300 billion USD) worth of goods reaching a surplus balance of 901 million crowns (30 million USD), the Czech Statistical Office (CSU) told CTK today. The value of goods imported from Slovakia reached 30.9 billion crowns (1 billion USD) for the first six months of the year and the Czech Republic was on the plus side with some 1.4 billion crowns (46 million USD). During the first six months of the year, imports to the Czech Republic increased 16.1 per cent over the same period in 1992 and exports increased 7.8 per cent.

Meciar Unveils Background to Coalition Talks

AU3007173093 Bratislava PRAVDA in Slovak 29 Jul 93 p 5

[Excerpt from Prime Minister Vladimir Meciar's speech at a meeting of the Slovak National Party Central Council at Dubnica nad Vahom on 10 July: "How the Coalition Was (Not) Born"]

[Text] The meeting of the Slovak National Party [SNS] Central Council at Dubnica nad Vahom on 10 July 1993 was addressed by [Prime Minister] Vladimir Meciar. In his address, Meciar spoke about the coalition talks between the Movement for a Democratic Slovakia [HZDS] and the SNS. We have obtained, from well-informed circles, a transcript of that address. We publish, without any stylistic changes, its substantial part, which unveils the background to the coalition talks:

Allow me therefore to express my ideas regarding the coalition's importance. The coalition should, first and foremost, ensure that laws become passable in the National Council without any serious alterations. Even though we are a minority government, laws do pass in the National Council because, in the absolute majority of cases, their provisions are correct. However, by concluding a coalition, we would also seek security for laws that will not be popular. You know that we have devalued the currency. We have known for quite some time that we would devalue it. We will have to encroach upon state expenditures on the social sphere and will have to take some very tough measures against economic organizations, which always meets with opposition. That is why we would like to have a stable parliamentary alliance capable of resisting such pressures. We see the path toward this in two solutions.

First: a law that would regulate the status of National Council deputies. If we have today, according to the laws of arithmetics, 80 votes, it is enough for six people to be absent during the vote or for six people to deviate politically and, instead of having a minority HZDS government, we are going to have a minority HZDS-SNS government. That is why we demand not only verbal guarantees of unity but also the establishment of a legislative framework that would guarantee this unity by law and that would secure the replacement [cirkulacia] of people who do not want to respect this unity. This is an area on which we have not come to an agreement.

The second thing that we propose is a majority system. The transition to a majority system would mean, in fact, that the chairman and deputy chairmen of the National Council, as well as the chairmen and deputy chairmen of parliamentary committees, would be only from our two parties. This will, of course, arouse polemics in parliament and in society and will create a very unpleasant alliance of the Party of the Democratic Left, Knazko's people, Carnogursky, and the Hungarians. On the other hand, it will guarantee the stability of parliament in relation to the government. The advantages and disadvantages of this solution are roughly in balance. Political will is therefore necessary to push it through. As for [first deputy chairman of the National Council] Mr. Weiss, we have reservations about the way he performs his duties and handles legislative work. In the legislative sphere he has done nothing in one year [since his election]. He does not even have the National Council rules of procedure ready, and that was his only task....

If we are unable to establish a functioning mechanism in the National Council guaranteeing the passability of laws, it essentially means that we are unable to establish a functioning government. And then it will not make any difference whether we are defeated together or whether we are defeated alone and you will still have the chance to get to power in some other alliance. As regards options in the sphere of government formation, we have agreed to maintain, in the sphere of executive power, the same ratio as we had won in the elections and as corresponds to our real political influence in parliament today. This ratio is 1 to 4.7. In spite of this, we have agreed that four government members will come from the SNS ranks. We have also conceded the possibility of further shifts in other positions, and of greater leeway, but we cannot agree to a one to one ratio.

Excuse me, but no one would forgive us if we rid ourselves of political responsibility and transferred it to someone else. This responsibility was vested in us by the electoral vote. This [one to one ratio in the distribution of positions] is something that we cannot accept. Do not be angry with me.

Another question that has been the subject of [coalition] talks is the distribution of responsibilities in government. In general, I do not consider this matter closed. There are questions that remain open, such as the post of minister of defense or [the SNS's] constant shifting of interest between the Departments of Health and Education. We have learned, essentially, that you are interested in the Health Department.

Cooperation at government level also requires functioning state administration at lower levels. After the conclusion of the coalition, districts should agree on the solution of personnel issues. But even on this level, we cannot accept the one to one ratio because, in that case, we would have to dismiss some office holders who are from the HZDS. This is unacceptable. We cannot do it. We simply must come to an agreement on this issue, all the more so as your party has a greater influence in some districts than would correspond to its strength. We must find a reasonable compromise, at both regional and central levels.

Another area that we have not sufficiently resolved is the question of regional or self-administrative elections, or just regional elections, toward the end of this year or the beginning of next year. It is necessary to deal with this issue politically because it has been neglected thus far in the legislation. The question is of whether we will commit ourselves to coalition at the regional level or whether we will contest the elections separately. The question of extensive cooperation has not been resolved.

Since we obtained the draft agreement from the SNS on Tuesday [6 July], we drew up an alternative, which we put forward yesterday. The contents of the agreement—whether from the point of view of legal purity, political contents, or a clear formulation of individual mechanisms—are not such that we could put our signature to it today. This does not cast doubt on our willingness to agree to form a coalition. However, it is necessary to renegotiate the rules. We have braking mechanisms to make sure that something does not happen, but we do not have activating mechanisms that would make it possible to pass laws in parliament, in the government, and in other central bodies.

The appointment of the Slovak National Bank governor and vice governor will be discussed at the coming National Council session. We have put forward candidates for both positions following an agreement with the SNS. We hope that they will receive support. Shortly, we will also propose candidates for chairman and deputy chairmen of the Supreme Inspection Office [NKU]. An agreement has been reached that the chairman will be from the HZDS and both deputy chairmen from the SNS. We pledge to support the SNS candidates, provided that our candidate for the post of NKU chairman receives support. We have proposed two candidates; our club of deputies will decide, in the course of the week, which of the two will be nominated.

We propose that negotiations continue, both at the central level and in the districts, in order to clarify mutual relations. They would be good, they make good friends. [sentence incomplete as published] In this case, our endeavor to bring the talks to a close quickly has backfired. I can state on behalf of the HZDS that, even though we wanted to present to you the final product today, matters have not been clarified sufficiently for the negotiations to be concluded today. There exists a rough consensus as regards the solution of personnel issues. Some people say that people grow with their tasks, others say that tasks test people or bring about their fall. I only beg you to consider carefully whom you propose. Holding an office is not only an opportunity to achieve success and glory. It is also a chance to liquidate a person socially and mentally. Do consider very carefully which candidate you place in which position. But that is an internal matter of your party.

In the mechanism of talks, one party has the right of veto against the other, or the right of support. So that if there is an offer from your side, the will on our part is expressed unequivocally [sentence as published].

After some time, which I am not in a position to specify today, joint negotiations between the HZDS Presidium and the SNS Central Council could be held, at which the final documents could be signed, provided that you demonstrate today the will to come to such an agreement.

Foreign Minister Assesses Visit to France

LD3007173193 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1300 GMT 30 Jul 93

[Excerpts] [Announcer] At the moment Boris Gandel is here with me in the studio with the latest information from a news conference given in Bratislava this morning by Slovak Foreign Minister Jozef Moravcik following his two-day official visit to France. What is the outcome of the Slovak foreign minister's visit to France, Boris?

[Gandel] Jozef Moravcik told journalists about the bilateral talks with French officials. An important piece of information was that France was interested in entering the Slovak market, which can be documented for example by its interest in taking part in the privatization process in Slovakia.

French Foreign Minister Alain Juppe devoted much attention to the issue of European security. From the point of view of the French, the security structures in Europe are not very efficient, and in this connection France is proposing to also take into consideration the issues of minorities and borders. Alain Juppe is of the view that the issue of national minorities must be solved through bilateral relations, and praised the creation of Slovak and Hungarian commissions that deal with this problem.

Minister Moravcik said on the matter of borders that in our country any change of borders was out of the question.

The French foreign minister further said that his country would support our efforts at integration into Europe and its social and political systems.

Minister Moravcik's talks with the OECD were very important. Minister Moravcik told me the following about his talks with OECD officials.

[Begin Moravcik recording] These talks focused on two areas. Firstly, we needed to find out to what extent we can count on cooperation with the OECD in the future. We also wanted to express our great interest in this cooperation, since it could be very beneficial to us and help us in solving our problems with the transition to a market economy. [passage omitted]

We also wanted to explain how we would organize and ensure this cooperation; this is the second area. We have created a coordinating committee that will consist of representatives of individual ministries whose task will be to ensure that cooperation with the OECD is progressing smoothly.

We have also discussed a draft treaty that the OECD sent to our authorities in the form of a Memorandum of Understanding. When this treaty is signed we will become the OECD's partner in the transitional period. This means that we will get the special status that the countries of the Visegrad Group [Czech Republic, Slovakia, Hungary, Poland] have in the OECD. [passage omitted] [end recording]

[Gandel] The issue of Gabcikovo was also discussed. The Slovak foreign minister said that the EC Commission's proposal was acceptable for us, as far as the construction of new dams in the old bed of the Danube, and deciding how much water each side gets was concerned.

Cernak To Continue Leading SNS Coalition Talks

LD3107191593 Prague CTK in English 1816 GMT 31 Jul 93

[Text] Zilina, western Slovakia, (CTK)—SNS [Slovak National Party] Chairman Ludovit Cernak will continue to head the party's delegation in any future coalition talks with the Movement for a Democratic Slovakia (HZDS), the SNS Caucus decided at its meeting today.

The caucus refused Cernak's repeated proposal for a vote of confidence on his person, saying that doing so would violate the SNS personnel policy.

Government Approves Bills on Benefits

AU3007201593 Bratislava HOSPODARSKE NOVINY in Slovak 28 Jul pp 1, 2

[Michal Stefanek report: "Auction as Threat to Those Who Do Not Pay Taxes"]

[Excerpts] Bratislava—At a meeting yesterday, the Slovak Government approved a proposal to implement measures ensuing from the Slovak Government declaration on economic policy.

In this connection, the government approved a bill on providing old age pensions while being employed, a bill on the conditions for granting family allocations for children and their education in addition to pensions, an amendment to the Law on Providing Sickness Benefits, and a bill on changes in granting state-provided social assistance. The government adjourned the amendment to the Law on Providing Social Care until its next meeting. Approved bills will be debated in the National Council of the Slovak Republic at its next meeting.

The National Council of the Slovak Republic bill on providing old age pensions while being employed allows the drawing of a pension only if the wage does not exceed the level of the minimum wage in a calendar month. The amendment to the bill on conditions for providing family allocations for children and their education in addition to pensions sets the level of income as one of the conditions for providing these allocations, depending on the number of people considered to be one family (two-, three-, four-member family and families with more members). At the same time, the maximum income level of 16,800 Slovak korunas per month has been retained. According to the amendment to the bill on providing sickness benefits, the amount of these benefits will be lowered from 70 to 50 percent of the net daily wage. In cases of job related accidents, job related illnesses, and obligatory quarantine, the amount will be increased to 90 percent. By the amendment to the Law on Granting State-Provided Social Assistance, the state compensation allowances should be abolished and the level of family allowances, allowances for children in foster-parent care, and compensation to guardians adjusted in the form of direct feedback to the limits of subsistence level. [sentence as published]

The government approved, with comments, the National Council of the Slovak Republic bill, by which the Slovak National Council Law No. 511 of 1992 on the administration of taxes and fees and on territorial financial organs is being amended. With the aim of improving the situation when claiming unpaid tax, its is being proposed that, for example, the tax collector should be able to auction movable property and real estate. Is is also being proposed that he could impose—within a block procedure [blokove konanie]—fines for failing to meet obligations of a nonmonetary character defined by the law, amounting to 5,000 Slovak korunas.

They also approved a draft Slovak Republic Government decree on the financial management of state-owned enterprises. There is a priority scale for the utilization of profit created in them, which forces the enterprise to behave as an entrepreneurial entity. This means that the enterprise is obliged to meet basic tax obligations, establish a reserve fund, provide contributions for the personal needs of employees, and others. In a similar way applicable to profit, in cases of loss there is a certain priority scale for compensating it at the end of the current year. The draft government decree created equal conditions in financial management for all the types of enterprises.

The government approved draft treaties between the Czech Republic and the Slovak Republic on temporary business permits for people running businesses on the territory of the other republic after 31 December 1992. The condition is that they must be entered in the register of companies in the country in which they are running the business. As Justice Minister Katarina Tothova said at a news conference after the government meeting, the Slovak Republic government proposed that private persons and companies should be allowed to register in the Slovak Republic no later than June 1994, with the proviso that this will have a retroactive effect back to 1 January 1993. [passage omitted]

The government approved, while adding its own supplements, the concept for privatization and restructuring of the energy sector of the Slovak Republic. It also approved the draft principles for the National Council of the Slovak Republic Law on the State Fund for the Liquidation of Nuclear Energy Facilities, Spend Fuel, and Radioactive Waste.

They also approved a draft treaty between the Slovak Republic and the United States on avoiding double taxation and preventing tax evasion in the sphere of income tax and property tax. The government agreed with a draft treaty between Slovenia and Slovakia on support to, and the mutual protection of, investments.

On the other hand, the government rejected a proposal made by a group of National Council of the Slovak Republic deputies regarding the principles of a National Council of the Slovak Republic bill on credit unions, an amendment to the Law on Vital Statistics Registers and Administration Fees, and a proposal by another National Council of the Slovak Republic group of deputies regarding the amendment to the Slovak National Council Law No. 428 of 1990 on the Slovak Republic's official language, and an amendment to the National Council of the Slovak Republic Law No. 15 of 1993 on the verification of documents and signatures by district offices.

ECU Replaced With DM in Currency Basket

LD3007162693 Budapest MTI in English 1433 GMT 30 Jul 93

[Text] Budapest, July 30, 1993 (MTI-ECONEWS)—The National Bank of Hungary has decided to use the DM [German mark] instead of the ecu in the basket of currencies on which the forint's exchange rate is based, the NBH announced today. The change will come into effect on Monday. The currency basket is currently made up of USD (50 per cent) and ecu (50 per cent). The change will not directly affect the forint's exchange rate, the Central Bank said. The NBH said that the reason for the change was the increasing role played by the mark, and currencies pegged to the mark, in Hungary's international economic contacts.

Last September, during the upheaval in the European monetary system [EMS], the Central Bank was authorised by the government to go over to dm if necessary. Recently, tensions in the EMS have become apparent in wildly fluctuating exchange rates and there is now doubt about the viability of the system, the NBH announcement says. The change was required in order to follow international market movement accurately and reliably. The ecu had become too insecure for this purpose, the NBH said.

NATO Official Meets With Parliament Members

LD3007195593 Budapest MTI in English 1745 GMT 30 Jul 93

[Text] Budapest, July 30 (MTI)—"I have come to Budapest mainly to gain insight into political thinking in Hungary," NATO Deputy Secretary-General Gebhardt von Moltke said in Budapest on Friday after talks with parliament's foreign affairs and defence committees.

He told reporters the discussion covered relations between Hungary and the North Atlantic Alliance, as well as European security cooperation.

NATO wants to remain a major factor of European stability and increase its cooperation with countries in Eastern and Central Europe. Although events indicate a fair progress, changes will not take place overnight, Von Moltke said.

Hungarian parliament's Foreign Affairs Committee Chairman Laszlo Kovacs said Hungarian legislators had understood that NATO thinks in terms of cooperation, but not more, although it was obvious that Von Moltke cannot always speak of behalf of the 16 NATO members.

Regarding NATO's approach to Russia, Von Moltke said the organization did not want to ensure a sphere of influence for Moscow, but took into consideration Russia's interests outside its borders.

As for the South Slav crisis, the deputy secretary-general said that for a long time the United Nations Organization, NATO and the European Community had been unable to settle the conflict. Greater resolve on the part of the international community could help prevent the outbreak of a similar crisis in the Central and Eastern European region, he added.

To MTI's question on what this firmer approach means in particular, the foreign affairs committee chairman said that no concrete means were mentioned at the talks, as it would have been more timely when the conflict began. Moltke's conclusion matched the American position that NATO should declare that those who take to arms with the aim of changing borders in the region will find themselves faced with NATO weapons, Kovacs said.

Hungarian Justice Party Chairman Views Position

AU3007192193 Budapest TALLOZO in Hungarian 29 Jul 93 pp 1, 416-1, 417

[Interview with Lajos Horvath, chairman of the Hungarian Justice Party, by Janos Kecskes; place and date not given: "It Is Very Difficult To Define It"—interview first published in ESTI HIRLAP, 21 July 1993]

[Text] Lajos Horvath is chairman of the Hungarian Justice Party [MIP]. In your view, what does the word Justice mean?

[Horvath] Justice is mainly a theological notion. It is very difficult to define it. For me, justice is the truth of God.

[Kecskes] How can this be represented by a party program?

[Horvath] The name, in itself, is not a party program. However, the program has to accommodate people's inner sense of justice and the general truth of things.

[Kecskes] What is behind the Hungarian Justice Party name?

[Horvath] The Hungarian Justice Party is a right-wing democratic establishment that is similar to Turkey's Justice Party. It fights for the universal truths that also affect the nation. It considers justice and honesty to be more important strategic goals than the political tactics and political intrigue that are so prevalent in Hungary.

[Kecskes] The current political parties were not the result of organic social development, rather, they were established when certain groups of friends in the intelligentsia or room communities in students' hostels wanted to find supporters for their political goals. However, you were forced to form a party in order to be able to form a parliamentary group.

[Horvath] Although you presented the techniques of establishment very nicely, our party is one of the most organically created party formations because we consistently embody the politics that represent the value system that was in the Hungarian Democratic Forum's

[MDF's] original program and that was also partially announced by the other government parties. However, the MIP does not consist of beginner politicians like the aforementioned parties did, and we are also backed by the movement of the Hungarian Way Circles, the movement that has the biggest popular support at the moment.

[Kecskes] Does this mean that you have again unfurled the banner of the MDF that has "strayed away" from its own goals and values?

[Horvath] This is part of the truth. This can be shown by the wording of the program and through the fact that certain MDF local groups wish to join us collectively.

[Kecskes] Apart from Istvan Csurka, there are no really well-known and influential ideologists in your party. How determining is his personality?

[Horvath] He has an important role in the party because he was also a determining politician in the MDF. At the same time, I would call attention to the fact that another founding member of the MDF, the writer Gyula Fekete, is also on the movement's executive committee.

[Kecskes] However, he is the leader of a third party. Does this mean that the movement wishes to link a number of parties together?

[Horvath] Yes. This is a collective movement of the national, democratic, and right-wing forces that forms a bridge between the various parties.

[Kecskes] You condemned the government for not fulfilling its original program. At the same time, it is generally true that politics is an art of compelling possibilities. Why can you not accept that reality has changed the ideas?

[Horvath] Some change is natural. However, turning itself into its opposite and creating a liberal, rather than a social, market economy is unacceptable. Although it raised pensions, it also increased taxes in the meantime and pushed the burden onto the ordinary people. At the same time, it does not recover the money owed to it by the rich. The operators of the one-armed bandits hide taxes to the value of 20 billion forints a year. Naturally, it cannot expose all tax defrauders, but it is unnatural that it can only discover so few.

[Kecskes] What parts of the party exist? Does it have a membership, an infrastructure, and a parliamentary group?

[Horvath] Our membership is being organized. There are many applicants and we are very selective with them. We will soon establish 50 groups. We have a party office in Budapest. The parliamentary group is still in the formation. Unfortunately, it is precisely the MDF that is hindering us the most. For example, Andras Salamin, leader of the [MDF's] office, took away from us all the equipment and computers that we had used as MDF deputies. It is difficult to work like this, because we have not yet received new ones as we are not a parliamentary group. For example, Ibolya David, chairperson of the steering committee, is against our turning into a parliamentary group because, rather than getting into Parliament at the elections, we were established later.

[Kecskes] The MIP defined itself as a government party. However, you did not vote for the supplementary budget and the amendment of the value added tax. Then in what way are you a government party?

[Horvath] Being a government party means that we are the opposition of the current parliamentary opposition, but we are committed to such an extent that we do not see ourselves as independents. At the same time, we are not willing to give our votes to the government in advance, like a blank check. We will only vote for its proposals if we agree with them.

[Kecskes] You are an expert on military matters. The Army can thank you for two things. One is the quick-deployment units that were set up at your suggestion, and the other is the many billions of forints lobbied for, for the modernization of airplanes that, as a result of mysterious events, are enriching the national economy of the United States. Nevertheless, you are not loved by them. I wonder why?

[Horvath] Perhaps because, as opposed to the ministry's leadership, I have consistently fought against the Moscovite spirit.

RdR, Center Accord Sign Coalition Agreement

LD3007143993 Warsaw Radio Warszawa Network in Polish 1400 GMT 30 Jul 93

[Text] At a news conference given by the Polish Union [ZP] in Warsaw, Center Alliance [PC] leader Jaroslaw Kaczynski made the following statement on the matter of a center-right electoral coalition:

[Begin Kaczynski recording] I wish to state that last Sunday [1 August] an accord was signed between the Movement for the Republic [RdR] and the PC on the matter of conditions for joining both coalitions. No one has ever canceled this accord. I wish to stress this very strongly. My statement today is on this matter. [end recording]

[Announcer] At the meeting with journalists, the leaders of the ZP presented the election program for the coming parliamentary elections.

PSL-PL To Go Into Elections Alone

LD3007171693 Warsaw Radio Warszawa Network in Polish 1400 GMT 30 Jul 93

[Text] The Polish Peasants' Party-Peasant Alliance [PSL-PL] is going into the elections to the Sejm and the Senate alone, PAP has been informed by Gabriel Janowski, the chairman of the Alliance. One of the causes of this was the dragging-out of talks between Jan Olszewski and Jaroslaw Kaczynski and the lack of substantive decisions.

UD Views Possibility of Pact With BBWR

AU3007195793 Warsaw GAZETA WYBORCZA in Polish 28 Jul 93 p 3

[Report by Dominika Wielowieyska: "What The Union Wants"]

[Text] "We cannot agree to new economic compromises," said Wladyslaw Frasyniuk at a news conference yesterday [27 July] on the subject of the Democratic Union [UD] election program. Bronislaw Geremek presented the conditions that the Non-Party Bloc in Support of Reforms [BBWR] would have to meet for the UD to enter into a coalition with it.

Geremek presented 26 legislative bills that UD deputies will table in the Sejm immediately after the new Sejm has commenced its work. They include a draft constitution that foresees equal powers for the three centers of authority—parliament, the president, and the government. They also include an amendment to the Sejm rules whereby deputies would no longer enjoy the level of immunity they currently enjoy if they commit unlawful acts during the course of their parliamentary duties. The payment of allowances would also be conditional upon conscientious work by a deputy.

The UD also presented a bill on voluntary social insurance. If someone in the future wanted to be able to draw a higher pension, he could pay additional contributions to the State Insurance Fund on top of his compulsory contributions. Part of these contributions would be deducted from the employee's net pay.

If an employer were willing to pay additional contributions for all his employees, part of the resultant extra expenditure could be classified under the enterprise's running expenses, and thus be tax-deductible.

The UD thinks such a system would create a market for health, medical, and life insurance, and would be a new source of capital.

The UD has also prepared bills on public tenders (which would reduce the risk of corruption), local government, and copyright. The party proposes pacts on national education, health care, social security, and agricultural changes patterned on the Enterprise Pact. "Some of the reforms are encountering social opposition, and so only the pact model may help implement them," says Jan Krol.

The market economy, coupled with protection of the economically weakest groups in society, forms the basis of the UD's program. The UD will see to it that as many people as possible reap the benefits from the privatization of enterprises.

Asked about the difference between the UD's present program and UD programs for earlier parliamentary elections, Wladyslaw Frasyniuk replied: "Today we know that an excessive number of economic compromises harmed us. Instead of distributing the national income, we are distributing nothing but national poverty. There have to be tough rules in force, coupled of course with financial protection for the economically weakest communities."

As examples of such compromises, Frasyniuk quoted subsidies for fuel for farmers. The farmers did not gain much advantage from these subsidies, and the money could have been better spent on credits for agriculture. A similar compromise was grants for the purchase of grain, as Peasant Accord leader Gabriel Janowski had called for.

Frasyniuk also criticized the present system of granting concessions, which encourages corruption and leaves economic power in the hands of bureaucrats.

Asked to assess the 21 theses of the BBWR, Geremek said that some of them are compatible with the UD program. The remainder are "incomprehensible" to the UD, and the UD will "wait for an explanation as to what they are supposed to mean."

"We can cooperate with every political force that is in favor of an anti-inflation policy and the rapid introduction of a market economy, is willing to protect the economically weakest sectors of society, and will observe the principles of a democratic state," said Geremek. "If the BBWR turns out to be in favor of all these things, an alliance with it is possible."

SLD Does Not Rule Out Cooperation With BBWR

LD0108214093 Warsaw PAP in English 2107 GMT 1 Aug 93

[Text] Warsaw, Aug. 1—The Democratic Left Alliance (SLD) does not rule out the possibility of cooperation in the future parliament with the Non-Party Reform Bloc (BBWR), even though many of the programmatic concepts of the presidential grouping "are very easy to deride," Jozef Oleksy, deputy leader of the post-communist Social-Democracy of the Republic of Poland (SDRP), said in Krakow on Sunday [1 August].

Oleksy, whose party is the dominant grouping in the SLD, said that any such cooperation would need to be founded on the basis of a joint declaration. He ruled out the possibility of cooperation with most right-wing parties, including the Confederation for an Independent Poland (KPN), the Christian National Union (ZCHN), and the parties of the centre-right, in view of differences in economic and ideological outlook. He also said that it would be difficult to envisage cooperation with the Liberal Democratic Congress (KLD).

Oleksy claimed that the left is the authentic defender of the threatened Polish democracy, and said that the SLD would propose a packet of legislative measures to further the defence of democracy.

In Warsaw, the presidential BBWR bloc continues its investigation of potential BBWR candidates for September's elections. Krzysztof Bialowolski of the BBWR Electoral Committee said that the aim of the screening process was to ensure that candidates "have popular support in their social circles, represent their potential electorate."

Active in the BBWR selection process is Stanislaw Walesa, brother of the president. As a representative of the Movement for Organic Work, he proposed several BBWR candidates, most of whom were accepted by the electoral committee. Stanislaw Walesa will not himself be standing in the election.

Also on Sunday, parliamentary candidates of the Democratic Union (UD) discussed the UD programme relating to agriculture. The party declared its support for a "multifunctional development" of the rural economy, and for family farms to form the basis of Polish agriculture.

The rightist libertarian Real Politics Union (UPR) is not interested in participating in government after the elections, Stanislaw Michalkiewicz, secretary of the UPR Main Council, reassured potential voters. He said that the main aim of the party was to press for "a radical reduction in taxes," coupled with rapid and full reprivatisation, and "the elimination of theft," through the drastic reduction in the state administrative machinery.

Suchocka Discusses Police Running in Elections

LD3007202193 Warsaw PAP in English 1933 GMT 30 Jul 93

[Text] Poznan, July 30—Prime Minister Hanna Suchocka on Friday [30 July] said that the government expects police officers to be responsible and thoughtful when deciding on their running in the forthcoming parliamentary elections.

Addressing a meeting of police officers of Poznan Province held in Poznan, the prime minister stressed that for a police officer the decision to run in the elections has not only personal dimension. She recalled that a policeman running for a Sejm or Senate seat should remember that he represents the organization that had put forward his candidacy and not the police.

One should not create an impression that the candidate speaks in the name of the police, she said. Police candidates should not conduct their election campaign in uniforms or suggest that they are supported by the state service. "I issued special instructions on the matter to the interior minister on Wednesday," Ms Suchocka said.

The prime minister declared that the government would continue the policy defined in the document entitled the "just and secure state" and expects the new Sejm (lower house) to resume work on the legislation envisaged in the document as a priority task. She also stressed an urgent need for the Sejm to resume work on the amendments to the so-called police and penal procedure legislation.

Also on Friday, the prime minister visited the "Polmo" van producer in Antoninek, near Poznan, to witness the donation of Volkswagen cars to Poznan police.

Later in the day Hanna Suchocka visited a summer camp for children in bad financial situation in Miedzychod, Gorzow Province, organized by the Democratic Union Youth circles in Poznan and Gorzow.

The prime minister's press secretary Zdobyslaw Milewski denied that Ms Suchocka's current visits to Lower Silesia and Wielkopolska regions marked the beginning of her election campaign.

Samoobrona May Resign From Seats in New Parliament

LD3007225093 Warsaw PAP in English 2228 GMT 30 Jul 93

[Text] Czestochowa, July 30—"Samoobrona" (Self-defence) farmers trade union will resign from their seats in the future parliament if it does not accept the union's programme, head of the union Andrzej Lepper told reporters on Friday [30 July]. Lepper said that the move will be taken if the Sejm does not approve radical changes in the country's policy in line with the union programme. He added that the union's members are running to the Sejm to save Poland and not to make careers or to gain money.

Registration for Senate Campaign Ends

WS0208082993 Warsaw RZECZPOSPOLITA in Polish 27 Jul 93 p 1

[Report by "E.K.": "Senate Candidate List Closed"]

[Text] The registration deadline at the District Election Commission for prospective senatorial candidates passed on Monday, 26 July at midnight. In accordance with electoral law, each application had to be supported by at least 3,000 signatures. According to information arriving continuously at the State Electoral Commission, 178 candidates were registered as of 1500 on Monday. In all the electoral regions, sufficient numbers of signatures for candidates were gathered, therefore there will not occur a situation where senatorial elections are not held in certain regions. Out of 50 electoral committees which have submitted the names of candidates, 35 are committees created by voters. In the Warsaw District, the electoral committees of the Alliance of the Democratic Left [SLD], Democratic Union [UD], and Solidarity had each submitted two candidates for Senate as of noon. The Confederation for an Independent Poland [KPN] had registered one candidate.

In accordance with some preelection agreements, UD and the Liberal-Democratic Congress [KLD] will submit a joint list of candidates. The UD will nominate approximately 60 people whereas the KLD will name 35 candidates. On Monday afternoon, all indications were that the KPN would register its candidates in all electoral regions, though technical difficulties were being encountered until the last minute. Three members of the Political Council of the KPN will be among its candidates, as well as KPN advisers and former members of Parliament. The SLD and the Polish Peasant Party [PSL] will have no problems securing sufficient signatures to field candidates in all electoral regions, even though nothing can be said for sure until the registration process is concluded. Both electoral committees should register about 70 candidates each. As for the PSL, it was known for sure that senatorial candidates were registered in 16 districts, but information on the registration of additional candidates was arriving every few minutes. Many former members of Parliament will be running for Senate seats on the PSL ticket.

Information on registration of candidates was also coming on an up-to-date basis to the BBWR [Non-Party Bloc in Support of Reforms]. By early afternoon, candidates were registered in 10 districts. Candidates for the BBWR will primarily be well-known and popular figures, not to mention that the committee's slate will include Professor Zbigniew Religa and Warsaw Mayor Stanislaw Wyganowski.

At the same time, the Catholic Election Committee "Motherland"—comprising the Christian-National Union, Peasant-Christian Party, Conservative Party, and Party of Christian Democrats—had eight candidates registered in eight districts. The headquarters did not hide the fact that they would like to have candidates registered in all electoral regions. Among others, former members of Parliament Jozef Slisz and Kazimierz Rostek will be running on the "Motherland" ticket. Jan Olszewski's Coalition for the Republic did not release any information on registration for its candidates.

At several electoral headquarters, it was denied that gathering 3,000 signatures was an easy task. Voters who willingly provided support during previous election campaigns turned out to be much more reserved this time around. Krzysztof Krol of the KPN made a risky statement a few days earlier, to the effect that the mere act of gathering the required number of signatures might be sufficient for gaining a mandate. At certain other headquarters, opinions were voiced that many voters refused to sign a prospective candidate's petition because they were convinced that the Senate was unnecessary. According to a poll conducted by the Public Opinion Research Center, as of this May, 64 percent of those responding to a survey disapproved of the Senate. Only 21 percent expressed a positive view of the Senate.

Kaczynski Presents PC Election Program

LD3007225493 Warsaw PAP in English 2216 GMT 30 Jul 93

[Text] Warsaw, July 30—Presenting the assumptions of the electoral programme of the Polish Unity Coalition (ZP) at a press conference in Warsaw on Friday [30 July], leader of the Centre Alliance (PC) Jaroslaw Kaczynski declared that Poland needed a thorough reconstruction of economic and public life. He stressed the need for a government that "would not be linked to the existing ownership structure and groups dominating within it." Kaczynski explained that he had in mind the former "nomenklatura" men.

Further, Kaczynski pointed out that the ZP would like to ensure access to credits also to people from outside the former nomenklatura circles since the latter do not guarantee the repayment of loans. "This would require the reorganization of the finance and banking systems," Kaczynski stressed adding that the present management of the central bank (NBP) constituted part of the old set-up.

In the opinion of the ZP bloc, which groups the Centre Alliance, the Movement for the Third Republic, the Christian-Democratic Labour Party, and a number of some smaller parties, the pace of Poland's economic development could be faster than that envisaged by the present government.

"The ZP seeks to create such economic mechanisms which would allow Poland to at least come close to the level represented by Portugal," Kaczynski announced. He simultaneously stressed that the ZP is against changes based on printing more money. Kaczynski also assured that the ZP is not giving up the idea of decommunization. He explained, however, that different methods can be used to carry it out. "Generally, the idea is to assess the past activity of people occupying top positions," he said.

The ZP's programmatic assumptions state, among other things, that "Poland needs a new constitution and a new president worthy of the republic".

During the conference Kaczynski also referred to problems with the formation of a broad centre-right coalition. He expressed a conviction that Jan Olszewski and his coalition for the Republic of Poland (KDR) would certainly have no reservations as to the ZP programme. He admitted however, that during negotiations so far on a common electoral bloc with the KDR "the programmatic matters have not been discussed".

The PC leader also claimed that "nobody has withdrawn from the agreement" concluded last Sunday between PC and Olszewski's Movement for the Republic of Poland (RDR) on the terms of creation of a joint bloc, and declared PC's readiness to reach agreement on the issue immediately in the presence of mediator, Father Jozef Maj.

"If Olszewski and his colleagues fail to show readiness to reach agreement (...) we will have to prepare the Polish Unity to run in the elections on its own," Kaczynski said.

Officials Discuss Economic Crime

WS0208084793

[Editorial Report] Warsaw TVP First Program Television Network in Polish at 1645 GMT on 28 July carries a 10-minute program entitled "Report on Threats." The program is devoted to economic threats that Poland is encountering in the new economic climate following the collapse of communist rule. Reception is good.

The program opens with a two-minute introduction by Jerzy Milewski, head of the Office of National Security. Milewski says: "As we fought for democracy, as we struggled to overthrow communism, we got used to perceiving merely military and criminal threats. However, now that we have regained sovereignty and Poland has now entered the transition period between communism and democracy, it is economic threats which represent the greatest danger. They are not very dangerous in terms of the overall existence of our country, however, they do hamper its development. We found ourselves with entirely different market conditions, the consequences of which are that our legal infrastructure and organizational structures are not adapted to the market economy that is currently emerging. Racketeers are quicker to take advantage of these new possibilities than honest entrepreneurs, businessmen, and managers. There are opportunities to commit all kinds of forgeries; these result in evading both taxes and custom-duties. This results in enormous losses for the State Treasury, totaling in the tens of trillions of zlotys every year. The sum is comparable to the entire budget deficit."

Following the introduction, there is a short statement by the owner of a department store, who complains that honest entrepreneurs, that is, those who pay their taxes and custom-duties, do not stand a chance of competing with racketeers and those who successfully avoid taxes.

Next, a caption on the screen says that the state could obtain an additional 100,000 billion zlotys per year if it could collect custom-duties and taxes from those who avoid payment, referring to the so-called gray economic area.

Following this, the camera shows the silhouette of a man; the caption on the screen reads: "A functionary of secret information services." He speaks about the gray economic area, saying: "The gray area refers to money made by those who do not pay taxes and custom-duties and who declare that their prime costs are higher than they actually are. There is also a gray area that results from smuggling. There is also so-called ant smuggling, which is the smuggling of commodities across the border by carrying them on one's body. There is a method called the trunk method, representing a major threat to Polish manufacturers and businessmen. If we take into consideration the fact that the scale of these offenses is large and that it happens all year round, we will realize that large amounts of goods are smuggled into our country; this is related to enormous sums of money which are not collected by the state. It is, actually, here that the circle closes."

The program continues with video footage of a large truck filled of boxes being unloaded by workers. All this is shown in slow motion. Over the video, the voice of an unidentified commentator can be heard making the following narration: "According to data obtained from information services, last year as many as 6 million people crossed our eastern border and smuggled at least 3 million liters of alcohol. As a consequence, the state lost approximately 600 billion zlotys. Also, as much as $40 million was illegally taken eastward from our country. In the first six months of this year, only one company reported its cigarette imports and paid the appropriate customs duty and tax. In 1992, municipal and gmina [small administrative unit] offices were broken into 210 times; the following things were stolen: 34,000 blank driving licenses, 27,000 blank car registration certificates [titles], and 76,000 blank identity cards. In one case alone, merely 23 identity cards were enough to illegally obtain 17 billion zlotys. The rate of forgeries reached 1,030 percent last year."

Afterward, an unidentified man, who is not shown, compares two boxes of cigarettes, one of which has been imported via legal channels, while the other has most probably been smuggled across the border. He explains the differences between the two.

Next, once again, the unidentified commentator can be heard: "Helpless attitudes of the Main Customs Office; customs warehouses whose purpose is to make smuggling legal. Customs scandals reach the highest state offices. According to the results of a investigation carried out by the Tax Office of the Finance Ministry and the Supreme Chamber of Control, the smuggling of goods and capital across the Polish border is a result of negligence and inefficiency among directors at the Main Customs Office and Ministry of Foreign Economic Cooperation. In practice, these bodies determine the state's customs policy. Making economic decisions must be backed up by a thorough knowledge on the flow of goods and capital through Poland. The president does not have enough prerogatives; with all possible means he is denied the possibility of fulfilling his constitutional duty, namely, ensuring the security of our country. All this seems to indicate that the new parliament will finally determine the fate of Poland."

Here, once again the camera shows the same functionary of secret services saying: "If we care about our own existence, about our financial security, we will be able to guard our country against major economic threats that lead to political dependence in the end; these are far more dangerous. However, they could not exist without financing channels. Behind this is a system of financing certain political parties, and behind this we have this gray area, where some businessmen turn into politicians. However, if we look closely at them, we would find quite a different past."

The report concludes at 1655 GMT. No further processing planned.

Goryszewski on Defense Industry Conversion

LD0108032093 Warsaw Third Program Radio Network in Polish 2200 GMT 31 Jul 93

[Text] We must carry out a gradual conversion of the arms industry by transforming some of the manufacturing capacity to civilian production, Deputy Prime Minister Henryk Goryszewski said in Tarnobrzeg at a meeting with entrepreneurs and local government activists. According to Goryszewski, government help for the arms industry should be in the form of attracting capital. However, in any circumstances, the procurement of capital must be safe and the defense secrets of our country must be protected.

German Company Purchases Controlling Share in Polgaz

LD3107185393 Warsaw PAP in English 1739 GMT 31 Jul 93

[Text] Warsaw, July 31—Linde Ag of Germany has bought a 70 percent stake in two Polish companies producing gases used in industry (oxygen, nitrogen, acetylen, etc.). They are Polgaz of Pszczyna and Polgaz of Mielec.

The German investor paid 16.1 million dollars for the controlling stake and obligated itself to invest 33.2 million dollars more in the companies in the coming 5 years.

The two Polish companies combined have a 23 percent share in the overall sales of Polgaz. The Mielec plant recorded sales of 9.8 million dollars in 1992, while the one in Pszczyna had sales totalling 7.6 million dollars.

Linde Ag employs 29,000 people worldwide. Its annual sales reach 4.3 billion dollars. Recently the company has been very active in the Central and East European markets.

Industry Minister Replies to Miners' Demands

AU3107190993 Bucharest ROMPRES in English 1544 GMT 31 Jul 93

[Text] Bucharest ROMPRES, 31/7/1993—In connection with the discontent expressed by the Jiu Valley miners as to the new wage negotiations, the Ministry of Industries issued the following communique, signed by Minister Dumitru Popescu:

1. In keeping with the provisions of Law 13/1991, wages are to be negotiated by employers' and unions' representatives. The parties are equal and free and none of them may miss the negotiations or impose its stand to the other party.

2. On 29 July in Bucharest, government representatives met with the board of directors of the Petrosani Pitcoal Public Corporation and the union leaders of coal fields in the Jiu Valley. They discussed the conditions in which wage negotiations could be completed, namely:

— Given the fact that pitcoal production is state-subsidized, a wage increment would require supplementary budget allocations. The limited possibilities of the state budget do not allow for a growth ratio higher for the pitcoal corporation than for other coal corporations.

— Considering these limitations, the average pre-tax wage (including real wage, hazard allowance, and other legal allowances) that the budget can ensure as of July 1993 is 166.200 lei per person, as against the 234,000 lei claimed.

— Starting from the average real wage above, it is up to the negotiation committees to approve of differentiated wages—higher for underground work and lower for above-ground work—in direct ratio with the worker's personal qualities and the importance of his job.

3. The general manager of the Petrosani Public Corporation was invited to the Ministry of Industries Monday, 2 August, in order to present the conclusions of the board of directors for a further analysis of the negotiations at the corporation. For the same purpose, all the union leaders of the Jiu Valley miners were invited to the ministry at the same date.

Jiu Valley Miners Begin Strike

AU0208081593 Bucharest Radio Romania Network in Romanian 0400 GMT 2 Aug 93

[Text] One hour ago [0300 GMT] the Jiu Valley miners went on general strike, as previously announced. All activity has ceased in the coal mines in the Jiu Valley, as well as in those in the Anina Banat basin and the mine in Tebea, all of which belong to the Petrosani Pitcoal Public Corporation.

Our correspondent has reported that groups of miners are continuously gathering in front of the headquarters of the public corporation in Petrosani.

A short while ago, coal preparing units in the Jiu Valley have ceased to deliver coal to the customers of the public corporation.

Miron Cosma, the leader of the Miners' Trade Union Confederation of Romania [CSMR], has requested that government representatives, including the head of the executive, Premier Nicolae Vacaroiu, should come to Petrosani, because—as Cosma said—the strike has been caused by the fact that the government refused to engage in talks with the miners regarding the new salaries established last Friday [30 July] in Petrosani by representatives of the employees and trade union leaders.

Benone Costinas, the director general of the Petrosani Pitcoal Public Corporation, was summoned [by the government] to Bucharest today. However, the miners have not allowed him to leave the public corporation headquarters.

The general strike in the Jiu Valley is supported, as announced, by the representatives of other trade unions affiliated to CSMR.

Civic Alliance President on Opposition Participation

AU0108193893 Bucharest CURIERUL NATIONAL in Romanian 28 Jul 93 pp 1, 3

[Interview with Civic Alliance President Gabriel Andreescu, by Paul Cornel Chitic; place and date not given: "The Opposition's Actions Can Change the Atmosphere In the Country"]

[Chitic] You seemed to have been irritated by the statements made by [National Peasant Christian-Democratic Party official Mircea] Ciumara and you mentioned the so-called invitation made by the current state power for the opposition to participate in the government. Which of the gestures made by those in power do you consider to be such an invitation?

[Andreescu] Mr. Iliescu has extended such an invitation several times, Mr. Adrian Nastase... I think that it is enough if I merely mention two such instances...

[Chitic] Nevertheless, PDSR [Social Democracy Party of Romania] has asserted that such a possibility is out of the question...

[Andreescu] The invitation does not come from the governing party [PDSR]. However, there are members expressing, to a greater or lesser extent, the current opinion of the PDSR leadership...

[Chitic] This means that in your opinion there are various stances within the governing party concerning the opposition...

[Andreescu] Most certainly. First of all one has to acknowledge the overwhelming role played by Ion Iliescu in the decisions taken by that party. Secondly, PDSR has not issued any communique on that issue [inviting the opposition to participate in governing]... These are all gestures that carry specific meanings.

[Chitic] You warned that you would ring all the alarm bells if necessary to avoid making the "Campeanu mistake" or "the liberal mistake" again, meaning their participation in the Stolojan cabinet. How do you want to avoid making the same mistake again, considering what you said, namely that they [PDSR] are trying to attract opposition members of the opposition and not the opposition parties as such?

[Andreescu] If it is impossible to set up an opposition government, is it acceptable to set up a national unity government? A lot of printing ink has already been used on that issue. The Civic Alliance raised it during the Coordinating Committee meeting, which finally adopted the forementioned stance. Considering the catastrophe caused by Mr. Vacaroiu, the opposition's genuine participation in government would lead to the reversal of the current trend. It would be a sacrifice made by the opposition in order to maintain the political balance in the country and to give democracy a chance. However, such a thing will only happen if the opposition is granted real power, I mean the leadership of key ministries, allowing it to initiate pro-reform and pro-democracy programs. Except for the participation controlled by the Democratic Convention of Romania [CDR], any other such participation is nothing but an attempt to use the opposition as a symbol and its political capital, without positively influencing the evolution of our political and social life. Would it make any difference if a few political personalities such as [National Liberal Party Vice President Radu] Campeanu, Radu Ciumara, or [National Liberal Party Foreign Relations Department head] Caius Traian Dragomir join the current government? In my opinion the various opposition political parties ought to detach themselves from such personalities in case they join the government, in order to dissociate themselves from such "individual" decisions.

[Chitic] Do you really think the parties would take such "punitive" measures?

[Andreescu] We have recommended such measures to all our partners within the CDR... It is too early for such measures yet, but should the occasion arise, we will request that the Convention hold an extraordinary meeting.

[Chitic] Suppose that even a national unity government proves unable to bring about a recovery miracle. What are the risks—what would be the consequences of such a situation?

[Andreescu] It is quite obvious that the mere existence of an opposition government would not solve the current state of our economy. However, there are a number of things an opposition government could do: It could see to it that the land ownership certificates are distributed more rapidly among the population; it could solve a number of corruption cases that are currently destabilizing national economy; it could ensure more credibility abroad and that would give the country a certain financial impetus; and it could make legal activity more dynamic, especially in the economic and management areas.

[Chitic] In other words a possible opposition government would little by little assist [ar participa homeopatic] the evolution of our political life...

[Andreescu] Exactly. However, the price of food staples would not drop overnight. Salaries would not instantly increase either... A few opposition actions can, however, change the atmosphere in the country, and they can trigger more willingness and determination and give a financial impulse that could reverse our current evolution.

[Chitic] Still, considering that political solutions have their limits, the people's disappointment might turn into despair. What do you think will happen then?

[Andreescu] There is no doubt that our people did not comprehend that the IMF [International Monetary Fund] has lent us some money that made it possible for Romania to surmount its state of insolvency. That was a political achievement that is not appreciated by public opinion. The essential thing now is to maintain a minimal balance of our social and economic situation. Our greatest problem is how to maintain that balance and prevent a major economic catastrophe that would sweep everything away, lock, stock and barrel.

[Chitic] Do you think that if the opposition were to associate itself with the government West Europe would show more understanding for us?

[Andreescu] The West does not come to the rescue of anyone at the snap of a finger. Whenever one talks of the West one actually talks about the decisions of a number of governments, private businessmen, or certain institutions... An opposition government in Romania would doubtlessly increase our nation's credibility in the eyes of various governments, but would certainly not automatically ensure foreign investors' full confidence in the internal stability of the country. They do not expect us to achieve spectacular changes overnight. They expect a steady, positive evolution.

[Chitic] Do you not think that the sluggish way in which the West is sending us its positive signals might discredit even a national unity government?

[Andreescu] That is one of the major risks, namely that such a government might discredit the opposition parties themselves. However, the fact is that these are steps that ought to be taken, and it is merely a matter of sufficient political will, not a matter of how to increase labor productivity...

[Chitic] As far as I can see, you do not believe yourself that—should such a national unity government be established—the West will instantly know how, to what extent, and when to offer us its help...

[Andreescu] There are a few decisions that might help, and they would be immediately taken if a national unity government were established... Those decisions refer to the granting of most-favored-nation status, our relations with IMF and EEC, and many other such things.

PRM Leader Condemns IMF Attitude

AU3107150793 Bucharest ROMPRES in English 2024 GMT 30 Jul 93

[Text] Bucharest, ROMPRES, 30/7/1993—Greater Romania Party (PRM) President Corneliu Vadim Tudor requested the Romanian Government and all those who share realistic views to ignore any theoretical speculations or criteria imposed by foreign banks and stop "by all means" the "ruin of the national currency and the aberrant price rise, at least for food staples." He said that the recent "pressure, blackmail and threats" the IMF has put on the Romanian Government betrays the West's "cynical" attitude as often in the past.

He demanded the executive to urgently find the most efficient means of stopping the "scandalous, plunderous black-marketeering."

The demands made by PRM, C.V. Tudor said, should not be interpreted as withdrawal by PRM of its support to the present cabinet.

He termed the miners' recent wage claims as "thoughtless" as long as some pensions for rural laborers are still symbolic and urged their leader, Miron Cosma, to no longer "overdo" things and give up "pressure tactics".

National Bank Enforces Measures To Stabilize Leu

AU3007124193 Bucharest ROMPRES in English 0936 GMT 30 Jul 93

[Text] Bucharest ROMPRES 30/7/1993—At the recent round of negotiation between Romania and the International Monetary Fund over a new stand-by agreement, both parties agreed that Romania experienced a particular inflation as neither money supply nor [word indistinct] could explain the price rises. "We believe it is rather a lack of confidence in the national currency," said the National Bank Governor Mugur Isarescu cited by the daily ADEVARUL.

After negotiations with the IMF, the National Bank decided to enforce a set of measures meant to stabilize the leu:

A first measure to be applied starting August is that the re-financing of the commercial banks by the National Bank will be carried out on auction. The National Bank will lay down on the table the specific amount of money resulting from the predicted price evolution. Commercial banks will bid the funds and if demand exceeds supply, the interest rate will rise according to the resulting disbalance.

Second, the National Bank will set conditions on refinancing operations, specifically a correlation must exist between the National Bank discount rate, which will hold its present level of 70 percent, and the interest rate paid by commercial banks to their lenders and depositors which means the attraction by the national currency will increase.

Third, preferential loans will be stopped except for agriculture but only until the end of the year.

The set of measures as provided by the "leu recovery operation" will consolidate the positive tendencies manifested lately in the Romanian economy which were noticed also by the IMF head commissioner, the National Bank governor said.

Foreign Media Bulletin: Balkan Crisis 2 August

WA0208165693

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Participants at Bosnian peace talks reportedly agree on plan creating three republics; Izetbegovic threatens to walk out of talks if Serbian attacks on Sarajevo continue ... Bosnian Serb forces claim to have captured strategic peak overlooking Sarajevo ... Muslims report Serbian attacks in Zvornik, Brcko ... Heavy Muslim-Croat fighting reported in central Bosnia ... British troops return fire after attack by Croatian forces ... Krajina Serbs shell Maslenica bridge after Croatian Army refuses to withdraw forces ... FRY Government says mortality rate up sharply since introduction of sanctions.

DIPLOMATIC

BOSNIAN PEACE TALKS CONTINUE (Belgrade Radio, Sarajevo Radio): Participants at Bosnian peace talks in Geneva reportedly agree on plan proposed by international mediators to establish three republics in Bosnia. Bosnian President Izetbegovic, however, continues to demand clarification of provision on status of country's UN membership, warns that he will walk out of talks if Serbian attacks on Sarajevo continue. Negotiations continuing over boundaries for new republics. (AU0208105693, AU0208105593)

MILITARY

SERBS CAPTURE STRATEGIC PEAK (TANJUG): Bosnian Serb forces claim to have captured Mount Bjelasnica, a strategic peak overlooking Sarajevo, but deny that they are besieging the capital city. (LD0108184793, AU0208150493)

MUSLIMS REPORT ATTACKS IN BRCKO: Sarajevo Radio reports "heavy artillery fire" from Bosnian Serb positions in Brcko, "thousands" of Serbian missiles "obliterating villages" around Zvornik. TANJUG says "strong" Muslim artillery attack in Zvornik "thwarted" by Bosnian Serb forces. (LD0108121293, AU0208084793, LD0108183793)

MUSLIM-CROAT FIGHTING CONTINUES (Zagreb TV, Zagreb Radio): Heavy fighting between Muslim, Croatian forces reported in Gornji Vakuf and Jablanica. Bosnian Croat forces uncover bodies of 22 "massacred" Croats near Jablanica, fear "hundreds" of Croatian civilians "wiped out." (LD3107223093, LD0108150293)

BRITISH TROOPS RETURN CROAT FIRE (London PRESS ASSOCIATION): After coming under fire near Bugojno, British UNPROFOR troops fire on Bosnian Croats, killing one. (LD3107065793)

KRAJINA SERBS SHELL BRIDGE (Zagreb Radio, TANJUG): Krajina Serbs shell, damage Maslenica bridge after Croatian Army refuses to withdraw its forces by a 31 July deadline agreed to by Serbs, Croats, UNPROFOR. (LD0208112893)

SANCTIONS

FRY REPORTS RISE IN MORTALITY RATE (TANJUG): FRY commission reports sharp rise in mortality rate since introduction of international sanctions, urges UNSC to speed up approval of humanitarian aid for FRY. Belgrade medical expert says "majority" of urban population "malnourished," subject to tuberculosis, other infectious diseases. (LD3007180893, AU0108161993)

British Troops Return Fire Against HVO Forces

LD3107065793 London PRESS ASSOCIATION in English 0650 GMT 31 Jul 93

[By Keith Manning]

[Text] British troops fired on Bosnian Croats, possibly killing one, the Ministry of Defence said today.

A spokesman said Royal Engineers were gathering road-making material at a quarry near Bugojno in south-east Bosnia when they came under fire from Bosnian Croat (HVO) forces.

"Two Warriors came under fire and the engineers returned some warning shots," said the spokesman.

"The firing from the HVO forces intensified and the engineers then fired at them and one man was seen to fall."

The spokesman could not say whether the gunman had died in the incident, which happened on Thursday.

He added that it was not the first time British troops had come under fire and then, following procedures, had returned fire and shot people.

Croat Attack on Spanish Troops in Jablanica

AU3007122093

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1000 GMT on 30 July carries within its regular 20-minute newscast several reports on the situation in Bosnia-Herzegovina.

Hamiz Deronjic reports from Brcko that "all night the aggressor was intensively regrouping, accompanied by intensive activity on the part of enemy reconnaissance and sabotage units. The Serbo-Montenegrin occupiers concentrated particularly strong forces in the southeastern section of the front, where they assembled 10 [word indistinct] armored vehicles. Using small arms fire and occasional shelling against the defenders' positions, in the early morning hours the aggressor continued to redeploy and regroup his men and equipment."

A studio announcer says "transport helicopters were observed flying in the region of [name indistinct] last night and this morning. Two were seen along the Bosanski Samac-Modrica line and two along the Brcko-Pelagicevo line."

The Gradacac Press Center reports that "as compared with yesterday, (?this morning) is somewhat calmer in Gradacac. Sniper activity is intensive in the region of Sibovac, the industrial zone, and (?Ukici)."

The studio announcer says that "Bugojno is a free territory of our country. In a counterattack in the region of (?Verisa) near Bugojno, fighters of the Bosnia-Herzegovina Army neutralized an extremist part of the Croatian Defense Council [HVO]. The HVO fighters left behind a (?T-55) tank, an armored car, and a large quantity of artillery ordnance [word indistinct]. Therefore, there are no more HVO extremists in the zone covered by the (?307th) Brigade, but Bugojno is under artillery fire by the Serbian aggressor army from Kupres." A correspondent reads out a report from the Third Corps Press Center saying that "only a little further away, in Gornji Vakuf" Croatian fighters are "persistently shelling civilian targets. They used tanks to shell the (?Poljice) region from Podovi. They also attempted an infantry breakthrough, but without success."

A correspondent whose name is indistinct reports from Jablanica that "an extremist HVO unit is still shelling Jablanica and its suburbs" and that "at 0120 [2320 GMT] after midnight, aggressors from the Croatian Army and the HVO showed their hatred against the Muslim people and the UN forces—in fact a Spanish battalion stationed in Jablanica. They first launched four mortar bombs on the town and then three powerful explosions were heard in the camp of the Spanish battalion." Correspondent says that "(?13) members of the Spanish Battalion were slightly wounded, three seriously wounded, and two killed. Although this has not been confirmed, it is supposed that the Spanish camp was bombed by a Croatian Army plane."

In a report on the news conference held at Sarajevo's UNPROFOR Headquarters, Zoran (?Pirolic) says that "the Spanish soldiers' garrison in Jablanica was hit by three grenades at 0130 last night. One soldier was killed and as many as 17 wounded, 6 seriously." He cites UNPROFOR spokesman Barry Frewer as saying that "investigation is under way to establish who attacked the barracks with its Spanish soldiers. The UNPROFOR Command for Bosnia-Herzegovina has so far refrained from making any accusations."

General Cot on Croat Attack

LD3007134993 Belgrade TANJUG in English 1309 GMT 30 Jul 93

[Text] Belgrade, July 30 (TANJUG)—Commander of the U.N. Protection Forces for the former Yugoslavia (UNPROFOR) General Jean Cot has expressed "fear and horror" at the artillery attack on Spanish soldiers on Friday morning, in which one U.N. peace-keeper was killed and 17 wounded, REUTERS reported.

A spokesman for UNPROFOR headquaters in Zagreb said two grenades hit the dormitory and the accompanying buildings of the Spanish UNPROFOR base in Jablanica, a town in the central part of the former Yugoslav Republic of Bosnia-Herzegovina.

Bosnian Moslems and Croats have been fighting fiercely for months in this part of Bosnia-Herzegovina over territories with an ethnicaly mixed population. At the begining of the 16-month-old war in Bosnia-Herzegovina, they were allies against the local Serbs. The UNPROFOR representative said "it was an attack without warning."

Ten Spanish soldiers have been killed by now in the U.N. mission in Bosnia-Herzegovina. Spain has between 1,200 and 1,400 soldiers in Bosnia-Herzegovina.

The deputy UNPROFOR commander for the former Yugoslavia, Cedric Thornberry, said on Wednesday that 52 U.N. peace-keepers have been killed and 525 wounded during the 506 days of peace operations in the former Yugoslavia. UNPROFOR has 26,358 men in the territory of the former Yugoslavia.

Karadzic: Serbs 'Probably' Shelled UNPROFOR Base

LD3007154493 Belgrade TANJUG in English 1428 GMT 30 Jul 93

[Text] Geneva, July 30 (TANJUG)—Bosnian Serb leader Radovan Karadzic said in a letter sent to U.N. Secretary-General Butrus Butrus-Ghali on Friday that Serb artillery was probably responsible for the shelling of the UNPROFOR base in Sarajevo last weekend.

A copy of Karadzic's letter to world leaders, including U.S. President Bill Clinton and French President Francois Mitterrand was released on Friday in Geneva where negotiations are under way on a peaceful settlement of the conflict in the former Yugoslav Republic of Bosnia-Herzegovina.

There is a strong suspicion that the attack "came by mistake from the Serb side," Karadzic was quoted by REUTERS as saying in the letter.

The commander of the brigade which operates in the area from which the attack was possibly launched has already been discharged and the "persons suspected to be responsible are being arrested," the letter said.

Last week's incident provoked a U.N. motion to ask NATO for air protection of the U.N. forces in Bosnia-Herzegovina.

Serb Commander Threatens To Respond to NATO Attacks

AU0208105093 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 30 Jul 93 p 2

[M. Markovic report: "We Shall Respond to Aggression"]

[Text] "The announcements about a possible attack by the international community on Serbian positions are mainly intended to exert pressure on the Geneva negotiations and threaten them with force. Nevertheless, we, in the army of the Srpska republic, take the announcements very seriously, aware that those who threaten are ready to pull the trigger. Should that happen, and should military forces decide to attack the positions of the army of the Srpska republic, this would certainly be fatal: The conflict would escalate and spread to the neighboring territories outside former Bosnia-Herzegovina."

This was stated for NOVOSTI by Colonel Bozo Novak, deputy commander of the air force of the Srpska republic, commenting on the latest message of Butrus-Ghali and the agreement reached by the highest representatives of the U.S. political establishment to bomb the Serbs in former Bosnia-Herzegovina, because of "repeated attacks on the blue helmets."

Bearing in mind the previous Security Council's decisions, and especially the resolution on the control of the sky above Bosnia-Herzegovina, which has, according to Colonel Novak, been applied for reconnaissance purposes and to locate the Serbian positions, the colonel's view on the latest agreement in the Security Council is that it is "a phase in which actions from the air are—very possible, and that NATO forces have been prepared for it for a long time."

"The Srpska republic air force did not, though it could, hinder the application of the disputed resolution, because our state leadership accepted it and it is our duty to respect it," Colonel Novak says. "If NATO strikes, we need no decisions to be taken in order to defend our country and the lives of our people. We shall consider it an aggression and we shall undoubtedly respond with all means, because there will be no other way out for us."

The incident with the French UN forces, used as a pretext for threats and pressures, in which Butrus-Ghali is also taking part, was ascribed to the Serbian forces without any proof. We requested an investigation into the incident by a UNPROFOR commission, although nobody has been particularly moved when UN soldiers were attacked by Muslims and Croats.

[Box, p 2]

General Milan Gvero: Useless Action

The Serbian forces are not attacking the "blue helmets," and therefore there is no reason for the announced retaliation by the international community prompted by the alleged Serbian threat to UNPROFOR in former Bosnia-Herzegovina. This was stated yesterday by Major General Milan Gvero, deputy commander of the army of the Srpska republic.

"We provided no motive for such an action, and we consider the engagement of NATO and the U.S. planes in the protection of the UN peacekeeping forces unnecessary," he emphasized.

According to Gvero, if anybody is endangering UNPROFOR members, then it is the Muslim and the Croat forces. He recalled that the UN observers themselves had stated that on Tuesday UNPROFOR forces around Gornji Vakuf, where Muslims and Croats are waging a war, were fired on thus forcing the "blue helmets" to respond to the fire.

According to General Gvero, it is absurd and incomprehensible to blame the Bosnian Serbs for threatening UNPROFOR.

"We care about a cease-fire and the establishment of peace. UNPROFOR forces represent the forces of peace for us, and we have no reason to act against them, particularly not now when a final agreement in Geneva is in sight," General Gvero explained.

Warring Sides Agree on Cease-Fire at Sarajevo Airport

LD3007211893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 30 Jul 93

[Text] A meeting between delegations of the Army of the Republic of Bosnia-Herzegovina, the Croatian Defense Council, and the Serb aggressor was held at Sarajevo airport today. The meeting was chaired by UN Protection Force [UNPROFOR] Generals Cot and Briquemont. A delegation of the General Staff of the Supreme Command of the Bosnia-Herzegovina Army was led by Rasim Delic, commander of the Bosnia-Herzegovina Army. The delegation also included deputies of the commander of the general staff of the supreme command Stjepan Siber and Jovan Divjak. Participants in the meeting discussed complete cessation of all combat activities between the warring sides, humanitarian aid, freedom of movement, and also the modes of implementing the agreement in the field. Following a discussion on contentious issues, an agreement on complete cessation of all hostilities was signed, saying:

Article 1 of the agreement: Cessation of all hostilities.

Following the signing of this agreement all forces of the three sides are to cease fire and freeze all combat activities, including combat movements, deployment of forces, and erecting fortifications. Orders in writing setting out such cessation of combat activities are to be issued as soon as possible following the signing of this agreement by each Army commander.

Article 2 of the agreement is in connection with humanitarian aid and freedom of movement. Orders in writing allowing free movement are to be issued by signatories, Army commanders, as soon as possible following the signing of the agreement:

a) Free passage for UNPROFOR;

b) Free passage for UNPROFOR convoys and convoy escorts that are subject to routine check-ups regarding the number of people and weapons that are entering or leaving the territory controlled by one of the sides.

c) Free passage for humanitarian convoys that are subject to one reasonable check up of its cargo and crew—members of the convoy— at one check point.

UNPROFOR accepts the legitimate concern shared by all sides as regards movement within territory under their control. UNPROFOR is to announce itineraries of convoys.

Article 3 sets out the verification of observance of this agreement.

The undersigned Army commanders are to confirm to UNPROFOR that they have issued orders in accordance with this agreement and also that the orders have reached their subordinate commanders. Complete aid will be provided for UNPROFOR to enable it to monitor the implementation of this agreement. UNPROFOR officers in the field can be consulted when aid is being provided for the implementation of this agreement.

The undersigned Army commanders are to continue meeting daily at a previously agreed time as long as their superior commanders are meeting in Geneva, or when necessary, at the request from any of the sides. In accordance with a recommendation from Geneva that was given by the supreme commanders of the parties, in addition to other issues they are to examine the draft military agreement on the cessation of hostilities.

The Army commanders are to secure 24-hour reliable communication for urgencies with a representative who is authorized to make decisions, or to get in touch with those who have such authorization.

This agreement, drawn up in accordance with decisions by supreme commanders of the parties in Geneva, comes into effect upon signing.

Krajisnik, Karadzic Say 'Goal Achieved'

AU3107202393 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 31 Jul 93

[Interview with Srpska republic President Radovan Karadzic and Momcilo Krajisnik, chairman of the Srpska republic assembly, by Zoran Jevdjovic; place and date not given—recorded]

[Text] [Karadzic] The citizens of the Srpska republic can expect a Srpska republic. This is a great achievement of these talks. My basic impression is that direct talks produced results and that it is a great shame that we did not directly negotiate earlier.

[Jevdjovic] Good. Can you tell us exactly what this document guarantees?

[Karadzic] Well, the constitutional agreement regulates the relations between the three republics, whose names have not yet been established. The assembly of each of these republics is authorized to name its republic. For example, we know about the Srpska republic and Herceg-Bosna, if these names are to remain. Furthermore, the agreement safeguards a parity basis in joint organs and decision-making through consensus. It envisions great freedom and sovereignty of the republics. What the Serbs and the Croats have, the Muslims will also have. Therefore, one cannot say that anyone won or lost. There are no losers, with the exception of all of us who have bled, and because this should have, perhaps, happened at the Lisbon conference.

This is simply a constitutional agreement of three subjects on their mutual relations.

[Jevdjovic] How about the questions that, I believe, interest people the most—who will the army and the police belong to and who will be the authorities of the joint organs?

[Karadzic] The Presidency, which consists of three presidents of the republics, is one of the joint organs.

Someone else can be delegated to be in this Presidency, which is sort of a collective chief of the Union of the Bosnia-Herzegovina Republics. Then, the parliament, which is based on a parity principle and delegated from the republics. There is no army and no police. Simply, the greatest portion—that is, nearly all government functions—will be carried out by the republics. It is perfectly clear that this suits all three sides. Why should, for example, the Muslim side want the Serbs and the Croats to boss them around and tell them how to live?

[Jevdjovic] This, therefore, means that the police and their jurisdiction are the responsibility of the republics?

[Karadzic] Yes, I believe there will be a sort of appeal court at a joint level, but everything else will be at the level of the republics.

[Jevdjovic] Bearing in mind that you know the people's feelings, how will the parliament of the Srpska republic react to this, in your opinion?

[Krajisnik] I believe that it is very important for our people to know that we will inform the parliament and our nation about the situation that has developed here in a comprehensive report. We should be content.

In any case, whatever we—this delegation of ours—received as the framework, we, in principle, observed and achieved this goal. What is very important is that no one should feel like a loser. We were not the losers, even before these talks, but we had the advantage because our basic strategic goals were mostly fulfilled. Certain explanations will probably be required. We should not indulge in disinformation. There will probably be a lot of various reports and disinformation that could cause some people to be confused.

We are convinced that this delegation so far enjoyed the trust of our people and it should enjoy this now, too. After the examination, one can conclude that the goal has actually been achieved—that is, we have preserved the republic of Srpska, created independence, and united all three nations to an extent that they feel is necessary.

[Jevdjovic] And to an extent in which it was an opportune moment, bearing in mind the demands of the international community, probably?

[Krajisnik] In any case, we must take the international community into account. We have acknowledged it as much as it was required and in some sectors, we achieved even more than we had hoped for. [end recording]

POLITIKA: 'Coup' Attempted in Sarajevo

AU3107205593 Belgrade Radio Beograd Network in Serbo-Croatian 2000 GMT 31 Jul 93

[Text] As tomorrow's issue of POLITIKA writes, quoting sources close to the Srpska army, a coup was attempted in the Muslim part of Sarajevo late this afternoon in an attempt to overthrow [Bosnia-Herzegovina President] Alija Izetbegovic and his followers.

According to the inconclusive information, Muslim Energy Minister Rusmir Mahmutcehajic and Ambassador to Iran Omer Behem are behind this plot. They have already spoken out against any sort of agreement with the Serbs. The paper claims that the decision from Geneva was the initial spark for the street fighting in Sarajevo.

It has been learned from the same sources that the units of the notorious Musan Topalovic attacked the headquarters of Jovan Divjak, the second man in charge in the Muslim army, and that the headquarters, located in the building of the former Social Accounting Service in the town center, has been set on fire. Some other buildings in Novo Sarajevo have also caught on fire.

Street fighting also took place around the Muslim Radio and Television building. It is alleged that the Muslim police units sternly resisted the units of Musan Topalovic and succeeded in defending the building.

Muslim Attacks on Croats Continue in Central Bosnia

LD0108155493 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 1 Aug 93

[Report by Zdenko Vranjes]

[Excerpt] The Muslim army resumed its offensive on the HVO [Croatian Defense Council] positions around the town of Gornji Vakuf today.

At 1000 a combined artillery and infantry Muslim attack was launched on the Novi Travnik defense lines.

Although four Muslim brigades from Zenica have been helping local Muslim units to attack Gornji Vakuf, the Muslim army is still bringing in reinforcements. The Muslim army, which has more manpower, is attacking all [HVO] defense lines. The strongest attacks were launched on Pavic Polje, and HVO positions in the town center.

The Ante Starcevic HVO Brigade said its units were still holding defense lines in the villages of Bistrica and Krupa, that yesterday morning had been reported to be in Muslim hands by the REUTERS news agency, which quoted UNPROFOR [UN Protection Forces] sources.

The situation on battlefields between Gornji Vakuf and Prozor is somewhat more peaceful. HVO forces recaptured positions on the Crni Vrh mountain top this morning. Afterward they repelled fierce attacks on Kik and Jurici. Muslim forces sustained considerable losses in these two villages. Two HVO fighters were killed and three wounded, the Rama HVO Brigade reported.

Since 1000, the Muslim army has been pounding the HVO-held parts of Novi Travnik with mortars and howitzers, and all nearby Croat villages. Fierce artillery attacks are underway on all HVO lines on this battlefield. Two HVO soldiers have been killed and three wounded in the fierce fighting around Novi Travnik. [passage omitted]

Attacks on Doljani, Gornji Vakuf

LD0108212293 Zagreb HTV Television in Serbo-Croatian 2040 GMT 1 Aug 93

[Excerpts] Fighting is continuing this evening for the village of Doljani in Jablanica municipality, where Muslim soldiers committed horrendous crimes against Croat civilians over the last few days. [passage omitted]

Muslims have also continued their offensive on Gornji Vakuf and surrounding Croat villages. Muslim forces have been reinforced with four brigades from Zenica for this offensive. However, the defense lines have not changed. Novi Travnik and all surrounding Croat villages also came under fierce attack today. Fighting is still in progress in the area. [passage omitted]

Hundreds of Croats Feared Dead

LD3107223093 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 31 Jul 93

[Report by correspondent Zdenko Vranjes for Croatian Radio]

[Text] The situation in Gornji Vakuf is extremely dramatic. Muslim forces this morning overran the Croat-populated villages of Krupa and Bistrica and then launched an all-out attack on all positions held by the Croatian Defense Council [HVO] in this area.

Attacks on the Croat villages of Zdrinci, Dobrosin, Pavic Polje, and the defense line in the center of Gornji Vakuf are still in progress. Fighting has also been going on all day for strategically important positions on Crni Vrh hill, between Gornji Vakuf and Prozor, while Muslim guns shelled the center of Prozor for half an hour this morning.

It is evident that the Muslim army is not only refusing to abide by the cease-fire agreement, but also is trying to conquer new Croat-populated areas around Gornji Vakuf and Prozor. The fate of civilians in the villages occupied this morning around Gornji Vakuf is uncertain. Fears to this effect proved to be well-founded in the case of civilians from the village of Doljani near Jablanica, which was recently set ablaze by Muslim troops. Those who managed to escape confirmed that Muslim troops had committed large-scale crimes there, that dozens, perhaps hundreds, of civilians have been wiped out. HVO units are still waging the battle for this village.

Five people lost their lives, and another nine were wounded in sporadic, less intense Muslim attacks on HVO-held positions around Novi Travnik, Busovaca, Vitez, and Kiseljak, which were today accompanied by the ruthless shelling of central Bosnian towns and villages. The villages of Osigosce and Brestovci, between Kiseljak and Fojnica, were exposed to exceptionally strong artillery fire, while the villages of Budisici near Novi Travnik and Jasikovac near Kiseljak were the targets of infantry assaults.

The HVO's health center today asked the International Red Cross to help in the release of paramedics recently captured by Muslim troops in an attack on a column of ambulance vehicles on the road between Jablanica and Prozor when two paramedics were killed.

There was no fighting in Mostar today, though Muslim troops occasionally opened fire from infantry weapons.

Jablanica, Prozor Areas Attacked

LD3107120193 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 31 Jul 93

[Text] Muslim forces are not observing the cease-fire in the Jablanica and Prozor municipalities. Their attacks on villages in the Prozor municipality—Dobrasin, Jurici, and Glibe, and on Prozor itself—are particularly ferocious. A number of people were killed or wounded in these attacks, Mostar HVO [Croatian Defense Council] reported. Reports from Gornji Vakuf speak of Muslim army attacks on HVO positions in Pavic Polje.

'Horrific' Massacre of Croats

LD0108150293 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 1 Aug 93

[Text] Muslim forces have carried out a massacre against Croat civilians in the Croat village of Doljani near Jablanica. In connection with this terrible crime committed by the Muslim army in the village of Doljani near Jablanica, HVO [Croat Defense Council] Chief of Staff Milivoje Petkovic said that the HVO forces who entered the village found 22 bodies of civilians and soldiers. The massacre is horrific, and, Petkovic claims, there is photographic evidence of it. There are indications that this is not the final death toll.

Muslim Commander Urges Continuation of War

LD0108174293 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 1 Aug 93

[Text] Where we are in an unfavorable position, we should respect the cease-fire and negotiate, but where there is a possibility for a breakthrough, we should strike with a vengeance. This was said by the criminal Enver Hadzihasanovic, commander of the III Zenica Corps, to Refik Lenda, the Muslim army's commander in Zavidovici, in a message intercepted by the military intelligence service of the Croatian Defense Council's 111th Zepce Brigade this morning. He added that Zepce will again be a Muslim town, but only if captured by the Muslim army, and that the Geneva negotiations have fallen through.

The Muslim army has accepted such instructions, and continued its relentless shelling of Zepce and surrounding villages today. It has so far launched more than 200 destructive missiles from tanks and guns.

Muslims Launch 'Extremely Heavy' Attack on Serbs

LD0108111693 Belgrade TANJUG in English 1052 GMT 1 Aug 93

[Text] Zvornik, August 1 (TANJUG)—Forces of Bosnian Muslims early on Sunday morning launched an extremely heavy artillery-infantry attack on Serbian villages in eastern Bosnia-Herzegovina, violating the ceasefire accord for all of the former Yugoslav republic which took effect on Friday night, military sources of Bosnian Serbs said.

The targets of the extremely heavy fire from the Muslim side are the Serbian villages Malesic and Boskovic, located around 25 kilometers from the town of Zvornik, Zvornik-based sources of the Army of Bosnian Serbs (VRS) said.

No information is available for the time being about possible casualties on the two sides. However, the attack is the heaviest Muslims have undertaken in the area since the outbreak of the 16-month civil war, the Zvornik-based VRS command said.

At the same time, Muslim forces continued attacking the positions of the Serbian defenders in the area of Foca, Herzegovina, on the night of July 31-August 1 and on Sunday, the VRS Herzegovina Corps said.

The VRS General Staff late on Saturday sent a protest to the command for Bosnia-Herzegovina of the U.N. Protection Force (UNPROFOR) in connection with the violations of the latest ceasefire agreement.

The chief of the VRS General Staff, Gen. Manojlo Milovanovic, said in the letter of protest sent to the UNPROFOR commander for Bosnia-Herzegovina, French General Francois Briquemont, that, since the ceasefire agreement had taken effect on Friday night, seven VRS members had been killed and 31 wounded in continued Muslim attacks.

The letter, whose full text has been carried by the news agency of Bosnian Serbs SRNA, said that Muslims shelled from mortars Serbian positions in northern and south-eastern Bosnia-Herzegovina on Saturday and staged a strong infantry attack on the Serbian Sarajevo suburbs Vogosca and Rajlovac on Saturday night.

Gen. Milovanovic requested of the UNPROFOR command for Bosnia-Herzegovina "immediately to take the necessary measures to compel Muslims to respect the signed ceasefire agreement."

The general also categorically denied that the Serbian side was violating the ceasefire agreement in the area of Mount Igman, near Sarajevo, and said that Muslim forces on Mount Igman had launched military operations with a view to securing a corridor and linking themselves with their units in south-eastern Bosnia-Herzegovina.

Muslim Attacks Halt Aid Convoy to Tuzla

LD0108103893 Belgrade TANJUG Domestic Service in Serbo-Croatian 0928 GMT 1 Aug 93

[Text] Zvornik, 1 Aug (TANJUG)—A humanitarian convoy was halted near Zvornik this morning because of exceptionally heavy Muslim attacks. The Tuzla-bound convoy was supposed to travel across a combat zone, TANJUG's correspondent was told by the Zvornik command of a Srpska republic garrison.

Since 0500 this morning, Muslims have been attacking Serb defense lines in the northwest part of the front, about 25 kilometers from Zvornik toward the Serb villages of Boskovic and Malesic, from the direction of Sapna and Vitinica.

Serb units are responding with accuracy and today's Muslim attack along the 15 kilometer section of the defense line has been the strongest since the beginning of the war.

The Zvornik command does not yet have any information on losses on either side, but a number of persons among the defenders of the Zvornik municipality have been wounded.

Serbs Capture Strategic Peak

LD0108184793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1804 GMT 1 Aug 93

[Text] Pale, 1 Aug (TANJUG)—After many days of fighting on the foothills of Mount Bjelasnica, southwest of Sarajevo, members of the Srpska republic army have captured the most important peak, the very top of the mountain.

Serb forces have captured all strategic peaks on the mountain and the Sarajevo radio and television relay station on the very top of the mountain, TANJUG has learned from sources close to the main headquarters of the Srpska republic army.

Serbs Attack Zvornik Front

LD0108121293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 1 Aug 93

[Text] [Correspondent] The Zvornik front is a veritable inferno today. Attacks by the aggressor's [Serb] strong armored-mechanized forces on the eastern [Muslim] defense lines have been going on since this morning. Following a several-hour-long artillery attack, a fierce combined tank and infantry assault on the Zaseok-Sapna-[name indistinct] line began at around 0500 this morning.

The free Zvornik territory is in flames. Thousands of highly destructive missiles are landing on the forward defense lines and are obliterating villages in the interior of the free territory.

The fighters of the [Bosnia-Herzegovina Army's] 206th Brcko Brigade are well prepared for the enemy onslaught and are resolved to defend their homes and the civilian population to the last man.

The chetniks are sustaining heavy losses both in lives and equipment. According to reports from the command, an entire special [commando] unit of the Army of the so-called Srpska republic attacking from the area of Boskovici has been wiped out, so that conditions have been created for the launching of a counterstroke by our forces.

Two of our fighters have been wounded in the fighting so far, and it is impossible to estimate the casualty toll among the civilian population due to the intensity of the shelling.

Reporting for Bosnia-Herzegovina Radio and TV from the Zvornik press center.

Serb Attacks on Brcko, Olovo, Doboj

AU0208084793

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 2 August carries in its regular 18-minute newscast several reports on the fighting in the republic.

Reporting from Brcko, Hamiz Deronjic says that "the attacks on the free territory are continuing. The entire defense line was exposed to heavy artillery fire overnight, and in some places, like in Vranovaca, Omerbegovaca, (?Kladalj), and Poljaci, it was supported by antiaircraft gun fire and grenades. The defense positions in the region of Vitanovici came under the fiercest fire, where the aggressor fired over 300 mortars. The movements and regrouping of the enemy forces were again registered throughout the front last night, particularly along the Grbavica-Lipovac line."

In his report from Olovo, Velid Djindo says that "throughout the night enemy antiaircraft machines guns, heavy machine guns, and small arms could be heard, but the morning in the town is quiet. Only sporadic enemy small arms fire can be heard from the front line."

Mirudin Aldobasic reports from the Doboj front that "it was yet another restless night in this region. There was no peace as the aggressor from his well-known strongholds fired at the defense lines and the civilian targets on the free territory. Dozens of shells were fired at (?Civici) and Ularice. This morning, according to the Information Center of the (?206) Motorized Brigade Doboj-Bosnia, the attacks have intensified, and the chetniks are mainly attacking the defense lines."

Serbs Protest Violations of Cease-Fire

LD0208092493 Belgrade TANJUG Domestic Service in Serbo-Croatian 0731 GMT 2 Aug 93

[Text] Belgrade, 2 Aug (TANJUG)—Major General Manojlo Milovanovic, chief of the general staff of the army of the Srpska republic, today sent a protest note to General Briquemont, UNPROFOR [UN Protection Force] commander for Bosnia, drawing attention to the fact that Muslim forces are violating the agreed-upon cease-fire.

"In the course of their all-out offensive launched on the eve of the last round of talks in Geneva, Muslim forces are relentlessly attacking positions of the army of the Srpska republic and Serbian territory in various areas despite the signed agreement to cease combat activities," Gen. Milovanovic said.

His letter, a copy of which was sent to TANJUG, stresses that early this morning Muslim forces "launched a heavy and perfidious attack from the direction of Kladanj, in the course of which they have torched the Serbian villages of Zeravice and Rjecice."

"We demand that you immediately send UN military observers to these locations so they can see for themselves the latest drastic cease-fire violations by the Muslims and their monstrosity," Milovanovic tells Gen. Briquemont.

The General Staff's protest note stresses that last night Muslim forces were carrying out constant provocations as they conducted combat activities against a number of Serbian positions and districts in the Sarajevo area. Mortars were fired at Jagomir and Ilinjaca while Grlica was pounded by recoilless guns. Antitank rockets were also fired from Butmir at Gornji Kotorac and from Donji Kotorac at Novakovica Kuce. Bijelo Polje and Kula came under machine-gun fire from Muslim positions in Dobrinja.

The General Staff of the army of the Srpska republic of Bosnia-Herzegovina demands that the UNPROFOR take measures within its powers and inform world bodies and the public about the Muslim offensive and the latest cease-fire violation.

Serbs Thwart Muslim Breakthrough in Zvornik

LD0108183793 Belgrade TANJUG in English 1748 GMT 1 Aug 93

["Pool" item]

[Text] Zvornik, August 1 (TANJUG)—The Bosnian Serb Army thwarted an attempted Moslem Army breakthrough in the region of Zvornik in eastern Bosnia-Herzegovina on Sunday afternoon.

TANJUG learned at the command of the Zvornik Garrison of the Bosnian Serb Army that the strongest Moslem attack in this area so far, with strong artillery support, began on Sunday morning and continued unabated until the afternoon.

During the attack, the Moslem artillery heavily shelled the Serb villages of Malesic and Boskovici some 25 km northwest of Zvornik, and according to reliable but incomplete information, ten Serb troops were lightly wounded.

The attack was carried out along the entire 15 km frontline and the Moslems were planning to break through to the left bank of the Drina, the river which is the border between Bosnia-Herzegovina and the Federal Republic of Yugoslavia.

Serb military source said in Zvornik that observers of the United Nations Protection Force (UNPROFOR) are expected to arrive in the afternoon to see on the spot that Moslem formations grossly violated the latest cease-fire which became effective on Friday.

The command of the Zvornik Garrison of the Bosnian Serb Army turned back a humanitarian convoy this afternoon which was en route to the Moslem enclave of Tuzla in northern Bosnia-Herzegovina. The convoy was turned back for reasons of security since it was bound to pass through the area of combat activities.

The Sarajevo front, Moslem snipers are opening occasional fire at the Serb districts of Grbavica and Vrace and Bosnian Serb Army positions in the Sarajevo district of Nedzarici, Serb military sources said.

Krajisnik: 'Union' Stands for 'Confederation'

LD0108183293 Belgrade TANJUG in English 1743 GMT 1 Aug 93

[Text] Kragujevac, August 1 (TANJUG)—President of the Bosnian Serb Republic Parliament Momcilo Krajisnik on Sunday said that the Geneva agreement is a big step forward in the quest for a settlement of the conflict in the former Yugoslav Republic of Bosnia-Herzegovina.

Krajisnik said that the Union of the Republics of Bosnia-Herzegovina, which representatives of the three warring sides in Bosnia-Herzegovina agreed to create, is, in fact, a name for a confederation of three independent republics that the Bosnian Serbs and Croats have been opting for.

The republics are joined in a loose confederation with certain functions based on consensus and full parity, Krajisnik told Radio Kragujevac.

Krajisnik said that the three sides have to agree on the frontiers of these republics and sign a map of future Bosnia-Herzegovina, and only then the war will stop and normal life in the region will be restored.

Krajisnik expressed reservations about the map, because Moslems have so far withdrawn from the talks several times when it all seemed to have been agreed.

There are not many disputed areas and solutions can be reached with certain concessions by all three sides, Krajisnik said.

Krajisnik said that these areas are Sarajevo, regions around Drina, Brcko, Neretva and the borders on the Una River. As for other Moslem claims, he said that there is clear evidence that those claims are not justifiable and that the Serb side is prepared to make concessions for some areas.

The safe areas of Srebrenica, Goradze and Zepa are Serb territories but they should keep this status because of the Moslems living there, Krajisnik said adding that autonomy of these regions could be discussed but that they could not become Moslem territories.

Commenting the threats from the United States of possible bombing of Serb positions in Bosnia-Herzegovina, Krajisnik said that this was yet another attempt to exert pressure on one side only at the time when it is clear to everyone that Serbs are ready to talk and make concessions, which leads to a conclusion that someone would like the talks to fail.

Praljak Appointed HVO Commander in Chief

LD0108133993 Mostar Croatian Radio Herceg-Bosna in Serbo-Croatian 1600 GMT 30 Jul 93

[Text] Mate Boban, president of the Croatian community of Herceg-Bosna, issued a decree on 24 July appointing Major-General Slobodan Praljak as commander in chief of the Croatian Defense Council [HVO]. Until then, the HVO did not have a commander in chief, while the top position was chief of general staff which was discharged by Major-General Milivoj Petkovic, who is still holding that position.

Data Released on Croatian Community Refugees

LD0108134093 Mostar Croatian Radio Herceg-Bosna Radio in Serbo-Croatian 1600 GMT 30 Jul 93

[Text] There are currently 189,790 displaced persons and refugees in the territory of the Croatian Community of Herceg-Bosna, which is 47,391 people more than on 5 May this year, that is before the clashes in Mostar, Travnik, Novi Travnik, Vitez, Fojnica, Jablanica, Kakanj, and Vares.

This was announced at the office for displaced persons and refugees of the Croatian Community of Herzeg-Bosna. By 5 May this year there were 55,828 Croat refugees from the Croatian Community of Herceg-Bosna, whereas there are now 117,838. A total of 280,000 Croats have been driven out or moved out of Bosnia-Herzegovina, which, according to the 1991 census is 36.7 percent of Croats in Bosnia.

Abdic Accuses Izetbegovic of 'Detrimental' Policy

LD3007210293 Belgrade TANJUG in English 1951 GMT 30 Jul 93

[Text] Ljubljana, July 30 (TANJUG)—Fikret Abdic, a member of the Moslem delegation to the Geneva peace negotiations on Bosnia-Herzegovina, has accused Bosnian Moslem leader Alija Izetbegovic of pursuing a wrong and detrimental policy.

In a statement published by the Slovenian daily DELO on Friday, Abdic, who is also member of Bosnia-Herzegovina's pro-Moslem Presidency, also accused Izetbegovic of usurping powers of the presidency.

Abdic said it must be made clear to Izetbegovic and his close aides Ejup Ganic and Haris Silajdzic that they would no longer be able to shape any policy of their own and then force their political decisions on the Bosnia-Herzegovina Presidency.

Since the civil war between local Moslems, Serbs and Croats in Bosnia-Herzegovina broke out 16 months ago, there have been no legally elected Serb members on the republic's presidency.

The [word indistinct] between the Presidency and Izetbegovic occurred before the closing round of the Geneva talks a month ago, when the Presidency decided to [word indistinct] to Geneva for negotiations, while Izetbegovic, holding on to his intransigence in advocating a unitary Bosnia-Herzegovina dominated by Moslems, refused to go to Geneva to negotiate with the Serb and Croat sides.

Abdic, a moderate Moslem politician, warned the public that Izetbegovic, who stayed on his post as president of the Bosnia-Herzegovina Presidency after the expiry of his one-year term, was treating the presidency less and less as a collective leadership and was putting himself to the forefront. By his wrong political moves, he constantly detracts from the Presidency's and his own reputation, Abdic said.

Izetbegovic and his close aides were sharply criticized by Abdic for manipulating the media in their own interest.

The media in Bosnia-Herzegovina are at present accessible exclusively to some members of the collective leadership who use them to discredit all of us who think differently from Izetbegovic, said Abdic.

The principal media in Bosnia-Herzegovina did not carry Abdic's open letter addressed to Izetbegovic in mid-July and accusing the Bosnian Moslem leader of being directly responsible for continuation of the inter-ethnic war and for the deaths of a large number of Moslems.

According to Abdic, no less than six attempts on his life have been planned so far because of his opposition to Izetbegovic's detrimental policy.

Partition Seen Leading to 'Waves of Violence'

AU3007154793 Ljubljana OSLOBODJENJE (Europe Edition) in Serbo-Croatian 22-29 Jul 93 p 2

[Kemal Kurspahic commentary: "Alija and the Yard"]

[Text] They say that a witty banner appeared recently in front of Bosnia-Herzegovina Presidency building that says: "Sign Alija, even if it is only a yard." This expresses the feelings of perhaps most of the citizens of Sarajevo, who, after 16 months of the inhuman siege of the town—forced to live in humiliating conditions like a Mengele-style test of the tolerance level of the human organism and mind; under mortar and sniper fire, without water or electricity, bread or gas, many even without families or any contact with them—are no longer able even to distinguish between a whole and a partitioned, a federal and a confederal, and a Muslim, Serbian, and Croatian Bosnia-Herzegovina. They want peace—here and now.

However, could there only be peace in the "yard," that is to say in what is left as the "Muslim constituent unit" after the possible signing of a partition and the actual recognition of the results of aggression and genocidal "chetnik cleansing?" I do not believe so. The acceptance of the ethnic partition of Bosnia-Herzegovina would mean not only the legalization of the terrible crimes that have already been committed in creating the phantom "Srpska republic," but also an encouragement and virtual approval of new waves of such cleansing, because just as in the interwoven multiethnic and multiconfessional fabric of Bosnia only the blackest terror could "clean up" the territory for the "Srpska republic," and only the humiliation, persecution, and even extermination of others can create both "Croatian" and "Muslim" states within a state. Thus, instead of the desired peace, we would be entering new waves and new years or even decades of ethnic violence. Apart from that, even if Izetbegovic were forced to accept only a "yard," he would perhaps be fulfilling the expectations of a large number of citizens of the besieged capital city of the Republic, already exhausted from "living" in perhaps the largest concentration camp in the world, and even the citizens of other towns who have so far not been occupied or "ethnically cleansed," such as Tuzla. However, can anyone, by signing [acceptance of] the "realities" that have been created by crimes, deprive citizens who have been driven out of places in which Serbian genocidal crimes have been committed—Zvornik, Visegrad, Foca, Prijedor, Sanski Most, and many, many others—of the hope that at some point justice will be done to the criminals and that they will be able to return to where their burnt or destroyed houses, the graves of relatives, and memories, love, and sadness remain?

In the name of the right of every person to live where everything is his—about which the Vrh Bosnia Archbishop Monsignor Vinko Puljic recently spoke so inspiringly in saying: "Whoever is in favor of partition is against Bosnia-Herzegovina, but there is room here for any person who was born here and brought up here"—instead of the defeatist logic of "any peace," the state Presidency must in the next round of Geneva talks on Bosnia-Herzegovina carry out to the end its own initiative on the future structure of the country: to oppose the great state "principles" and the Karadzic-Boban maps of their greedy neighbors Milosevic and Tudjman with its own proposals on the constitutional principles and territories of the future constituent units, whether this is a matter of four or eighteen of them. And it is up to the world to decide whether then, faced with the choice between the two projects, it will stand on the side of the aggressor or whether finally it will follow its own principles and responsibilities toward a state that has been subjected to brutal annihilation and this time stand on the side of the victim, not leaving it with only a "yard," because this might only be a prelude to the bloody redrawing of many other borders, and not only in the Balkans.

RSK, UNPROFOR Begin New Round of Talks in Knin

LD0108204893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1955 GMT 1 Aug 93

[Excerpt] Belgrade, 1 Aug (TANJUG)—A new round of negotiations between representatives of the republic of Serb Krajina [RSK] and UNPROFOR [UN Protection Force] about the situation created after the expiry of the Erdut agreement, which the Republic of Croatia failed to observe, started in Knin shortly after 2000 [1800 GMT].

The delegations are headed by General Mile Novakovic, commander of the RSK army, and General John MacInnes, UNPROFOR deputy commander for former Yugoslavia.

The talks are attended by Krajina Prime Minister Djordje Bjegovic, RSK army Deputy Commander Colonel Kosta Novakovic, Cedric Thornberry, head of the UNPROFOR civilian affairs, and General Bernardt Boudet, UNPROFOR commander for Sector South.

Col. Kosta Novakovic told TANJUG that UNPROFOR representatives today had talks with representatives of the Croatian Army and civilian authorities in Zadar. It is not yet known what news and proposals they have brought with them.

The talks in Knin are being held in a strained atmosphere following Croatia's failure to honor the Erdut agreement. [passage omitted]

Granic Ready To Give UNPROFOR Control of Maslenica, Zemunik

LD0208114993 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 2 Aug 93

[Text] Croatian Foreign Minister Mate Granic stated in the Croatian TV Picture vs. Picture news and current affairs program that Croatia was ready to hand over Maslenica bridge and Zemunik airport, to be placed under UNPROFOR [UN Protection Force] control.

But UNPROFOR was not ready to take over only these two areas without the complete withdrawal of the Croatian forces, according to the Erdut Agreement, in line with an interpretation by insurgent Serbs. Croatia will never accept that, Granic added.

He reiterated that Croatia, in order to bring traffic back to normal, is ready to place Maslenica bridge and Zadar airport under UNPROFOR control, but it will not go an inch beyond Resolutions 802 and 847, because these are UN Security Council resolutions that Croatia observes and wants UNPROFOR and the insurgent Serbs to do the same.

Conflicting Reports on Struggle Over Maslenica Bridge

RSK Says Croatia Reneged on Withdrawal

LD0108183693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1726 GMT 1 Aug 93

[Text] Belgrade, 1 Aug (TANJUG)—Several shells fired today toward Zemunik Airport and Maslenica bridge represent a warning to the Republic of Croatia, because it has again reneged on an additional withdrawal deadline, and last night even started with armed provocations. This was confirmed this evening to TANJUG by Slobodan Jarcevic, the minister of foreign affairs of the republic of Serb Krajina.

"We were forced to launch the action of warning because we have been double-crossed in our efforts to achieve a peaceful solution and because communications with the United Nations Security Council has been completely lost," Jarcevic said.

He added that because of that the Krajina Government has sent a letter to Vitaliy Churkin, asking him to do everything as a United Nations envoy and as a representative of one of the superpowers, so that Croatia withdraws and honors the agreement that it signed in Erdut on 16 July.

Army Defiant Over Ultimatum To Relinquish Bridge

AU0108140393 Paris AFP in English 1018 GMT 1 Aug 93

[Excerpts] Zagreb, Aug 1 (AFP)—The Croatian army was still controlling traffic Sunday across the strategic Maslenica bridge in southern Croatia, in defiance of a Serb nationalist ultimatum to hand over control to U.N. troops, Croatian television reported.

Serb secessionists have threatened to attack the recently reopened bridge unless the Croatian army withdrew but extended a midnight Saturday deadline until noon Sunday (1000 GMT). [passage omitted]

Croatian forces were due to withdraw from the bridge, Zadar airport and the strategic Peruca hydro-electric dam by the end of July as part of a U.N.-mediated peace deal agreed between the Zagreb government and Croatian Serb nationalists signed on July 16.

But last week a high-ranking member of the Croatian government said its troops would only withdraw if the Serb separatist forces in Croatia surrendered their artillery to the United Nations. Serb artillery bombarded the bridge area last weekend. [passage omitted]

After talks Saturday with Novakovic in the capital of the breakaway region, Knin, French General Jean Cot, commander of U.N. forces in ex-Yugoslavia, said: "I cannot stop people from killing each other. I am not in a position to prevent the destruction of the Maslenica bridge."

Some 2,000 U.N. troops are due to take over control of the three zones covered in the accord.

The original bridge, the only link between northern Croatia and its heavily populated Dalmatian coast, was destroyed during the 1991 war between Croatia and the Serb-dominated Yugoslav army.

Bridge Hit by Shelling

LD0208112893 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 2 Aug 93

[Text] Due to frequent artillery attacks, the Maslenica pontoon bridge was closed down for traffic at 1000 GMT today. The pontoon bridge was hit in an artillery attack on the Maslenica area last night. A part of the bridge is listing because of the damage. The damage is not serious and the bridge needs additional anchoring, we have learned from the department for political activities of the Croatian Army in Zadar.

Maslenica Bridge 'Sinking'

LD0208133593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1236 GMT 2 Aug 93

[Text] Knin, 2 Aug (TANJUG)—The new pontoon bridge at Maslenica is disintegrating and sinking. This is a result of yesterday's effective and precise artillery action by the army of the republic of Serb Krajina, the General Staff of the Krajina army says in a statement today.

The artillery action against the bridge, the Maslenica region, and Zemunik airport was carried out because of Croatia's failure to observe the Erdut agreement and its refusal to withdraw its forces from Krajina, the statement says in conclusion.

No Direct Hits Reported

AU0108164193 Paris AFP in English 1624 GMT 1 Aug 93

[Text] Zagreb, Aug 1 (AFP)—Serb separatist forces attacked the Croatian-held Maslenica Bay area and the Zadar-Zemunik airport with anti-aircraft guns Sunday, the Croatian defence ministry told Radio Zagreb. Neither of the sites suffered a direct hit, Croatian military and western diplomatic sources said.

The sites are strategic locations in southern Croatia which Croat forces failed to relinquish in line with a Serb ultimatum which expired midday (1000 GMT) Sunday.

Serbs Shell Zemunik, Maslenica

LD0108161593 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 1 Aug 93

[Text] We have learned from the Ministry of Defense of the Republic of Croatia that the enemy opened fire on Zemunik Donji with antiaircraft guns on several occasions this afternoon.

At 1640, the enemy started to shell the area around Zemunik airport and Maslenica.

The people of Bigrad, Zadar, and the hinterland are being warned to be alert because of possible attacks on civilian targets.

The information center of the Croatian Automotive Association has reported that the [Maslenica] pontoon bridge has been closed since 1645 for security reasons.

Maslenica, Zemunik, Peruca Under Fire

LD0108180693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1722 GMT 1 Aug 93

[Text] Knin, 1 Aug (TANJUG)—The Maslenica bridge, Zemunik airport, and the Peruca hydroelectric power station have been under controlled fire by the Krajina Serb army, its command said in a statement.

The Maslenica bridge was fired on after the expiration of the second deadline for the withdrawal of the Croatian Army and police from the occupied areas of Krajina and areas under the UN protection.

The Serb forces opened artillery fire on the Maslenica bridge area because the Croatian side failed to meet obligations from the Erdut agreement, the statement said.

TANJUG has learned that due to a sudden worsening of the situation in southern Krajina and the real danger of an outbreak of fresh armed clashes, Cedric Thornberry, deputy commander of the UN Protection Force and head of civilian affairs, is due to arrive in Knin this evening.

RSK Official Denies Report of Bridge Attack

AU0108165993 Paris AFP in English 1643 GMT 1 Aug 93

[Excerpts] Zagreb, Aug 1 (AFP)—Serb separatist forces attacked the Croatian-held Maslenica Bay area and the Zadar-Zemunik airport with anti-aircraft guns Sunday, the Croatian defence ministry told Radio Zagreb. [passage omitted]

But Branko Filipovic, a senior official of the self-proclaimed Serb republic of Krajina, dismissed the reports as false in a telephone interview from Knin, the region's main city.

The reported bombardment came after the Serb separatist military authorities declared a general alert Sunday in Serb-held areas of Croatia after the Croatian army continued to hold the bridge, the airport and the strategic Peruca hydro-electric dam, a news agency report said.

The alert was issued by the general staff of the Krajina republic in Knin "because of the danger of provocations by Croatian artillery," the pro-separatist Iskra agency said in Belgrade.

The attack brought to a head rising tensions between Croat forces and the separatists, who had demanded the former hand over control of the three key locations to U.N. troops under an agreement reached July 16.

Authorities in the breakaway province earlier Sunday called on the United Nations to put pressure on Croatia to relinquish control of the sites, Iskra said.

Croat forces had been due to hand over the three areas to some 2,000 U.N. troops at midnight Saturday, but the deadline was extended. [passage omitted]

Army Officer's Report

LD0208161593 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 2 Aug 93

[Report from Zadar by Bozidar Klaric]

[Text] In connection with the attack by Serb artillery on the Maslenica pontoon bridge and Zadar airport in Zemunik, Drago Krpina, head of the political administration of the Croatian Army, gave a brief news conference today in which he informed journalists that Serb terrorists fired around 100 shells on the Maslenica area, and around 50 shells on the broad area of Zemunik airport. At around 2100, one shell hit the southen part of the bridge, and between 0900 and 1000 this morning another shell hit its northern part. During the attack on Zemunik airport two incendiary shells were fired which caused a big fire and it was only thanks to the efforts of Zadar firemen that a catastrophe was averted.

Brigadier Drago Krpina informed the journalists that representatives of the Croatian Army and UN Protection Force [UNPROFOR] had talks yesterday regarding the handover of the bridge and the airport to UNPROFOR. UNPROFOR representatives praised the Croatian side for its readiness to cooperate, but at the moment when they were about to begin discussing the cooperation with representatives of the local Serbs in Knin, the attacks started.

Drago Krpina resolutely denied reports aired by some foreign media last night that the attack came as a result of Croatia's reluctance to cooperate and said that this was completely contrary to the facts. He corroborated this with a document showing that Brigadier Ante Gotovina, commander of the Croatian Army's operational zone of Split, asked to have talks with General (Bodeau), UNPROFOR commander for sector south, in order to have talks about the technical details of deployment of UNPROFOR in the area of Maslenica and Zemunik airport. These talks have taken place and a joint commission is to begin working soon which is tasked with the preparation of this action.

Brigadier Krpina said at the conclusion of his news conference:

[begin Krpina recording] We would like to express our belief and hope that further events will take place in peace, but I would also like to take this opportunity to express our vigorous protest because of the damage sustained by the pontoon bridge and in general because of the fire which was opened on these facilities, without any provocations from the Croatian side. We are hoping that UNPROFOR representatives will display much more responsibility and resolve in preventing similar events from taking place in the hours and days to come. [end recording]

[Klaric] Let us just add in conclusion that we have learned from the department for political activities of the Croatian Army in Zadar that the pontoon bridge was closed to traffic at around 1200 due to chetnik attacks. Between 1220 and 1315 Serb terrorists fired six artillery shells on the Maslenica area. Other parts of Zadar battlefield have been peaceful.

Krajina Serbs Control Bridge

AU0108173093 Belgrade Radio Beograd Network in Serbo-Croatian 1700 GMT 1 Aug 93

[Danko Peric report from Knin]

[Text] The press center of the Headquarters of the army of Serbian Krajina in Knin has just issued a brief statement:

In light of the fact that the Croatian side failed to observe the obligations pursuant to the Erdut Agreement, even after a deadline extension of 12 hours, the Serbian army of Krajina was forced to place Maslenica bridge and Zemunik airport under its control. These installations, as well as the Peruca hydroelectric power plant dam, have been subject to the armed authority of the Serbian army of Krajina since 1700 [1500 GMT].

Foreign Minister's Meeting With Albright Noted

LD3107190993 Zagreb HTV Television in Serbo-Croatian 1730 GMT 31 Jul 93

[Text] Ahead of a session of the UN Security Council, Croatian Foreign Minister Mate Granic had a meeting with Madeleine Albright, U.S. ambassador to the United Nations. Albright focused on two topics: First, Maslenica and Zemunik, and the failure of the Croatian Army to withdraw from there. In reaction to this, Minister Granic demanded firm guarantees from the UNPROFOR [UN Protection Force] that this area will be fully secured.

Second, she was concerned about Muslim attacks in central Bosnia. As she said, this was also due to the Bosnian Croats' involvement in ethnic cleansing in light of the alleged presence of the Croatian Army in Bosnia-Herzegovina and an alleged alliance between Croat and Serbs against Muslims in Bosnia. The Croatian minister categorically denied any presence of the Croatian Army in Bosnia- Herzegovina and explained who was ethnically cleansing whom. He spoke about 120,000 evicted and 190,000 besieged Croats in Bosnia-Herzegovina, the 250,000 Muslim refugees being provided for in Croatia, and everything that Croatia has done so far in the humanitarian sphere.

RSK Asks UN To Exert Pressure on Croatia

LD0108170793 Belgrade TANJUG in English 1649 GMT 1 Aug 93

[Text] Knin, August 1 (TANJUG)—Prime Minister of the Republic of Serb Krajina Djordje Bjegovic on Sunday asked the United Nations (U.N.) to exert additional pressure on the former Yugoslav Republic of Croatia because it did not respect the latest deadline for the withdrawal of its troops from the occupied parts of Krajina in line with an agreement signed in mid-July.

Under the agreement which was signed by Krajina and Croatia in Erdut in mid-July, Croatian Forces were to withdraw by the midnight of July 31, but the deadline was moved to the noon of August 1, and this deadline was not met either.

In a letter to U.N. Secretary-General Butrus Butrus-Ghali, the chairman of the Security Council, the co-chairmen of the conference on former Yugoslavia, and the Zagreb command of the U.N. Protection Force in former Yugoslavia (UNPROFOR), Bjegovic insisted that Croatia carry out its obligations in full.

In an attack on January 22 this year on the south of the Republic of Serb Krajina, which was formed in 1991 in parts of Croatia with a Serb population, Croatian troops seized a number of Serb villages, the Maslenica Bridge, Zemunik Airport near Zadar, and the Hydroelectric power plant Peruca, although this entire area has been protected by the U.N. since the spring of last year.

After the withdrawal of the Croatian Army from the occupied parts of the Republic of Serb Krajina, the UNPROFOR will take over control of these areas.

Underscoring that the "Croatian side has decided to continue combat actions, failing to respect the authority of the Security Council and the U.N. secretary-general himself," Bjegovic said that the Serb side therefore "cannot bear responsibility for the consequences or any responsibility for the continuation of the war."

Reporters who returned from the frontlines to Krajina's political center of Knin in the early afternoon said that it was quiet at the front, but that there were still no signs of any withdrawal of the Croatian Army, although the second deadline had also passed.

The Serb side agreed to a new deadline for the Croatian Army's withdrawal at the request of the UNPROFOR as a sign of good will and its readiness to resolve the conflict peacefully.

In his latest report, the TANJUG correspondent from Knin said that sirens sounded an air alert in the city shortly before 16:00 hrs local time (14:00 GMT) and that the population was heading for air raid shelters and cellars. For now, however, there are no details about the reasons for this alert.

UN's Cot Views Krajina, Croat Situation

LD3107220793 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 31 Jul 93

[Text] At a brief news conference on his return from Knin, UNPROFOR's [UN Protection Force] commander, General Jean Cot, presented his views on the implementation of the Erdut agreement, which should come into effect at midnight [2200 GMT].

Cot believes that the main problem lies in the fact that the local Serbs and the Croatian authorities interpret the Erdut agreement differently.

The Serbs hold that the Croatian Army should withdraw from all territories it captured on 22 January, while the Croats believe that they should only pull out from Zemunik airport and Maslenica bridge, which would then be placed under UNPROFOR supervision.

As Gen. Cot said, he will meet late tonight with the chief of the general staff of the Croatian Army, General Janko Bobetko.

UN Commander To Withdraw Troops if Croatian Army Stays

LD3107212993 Belgrade TANJUG Domestic Service in Serbo-Croatian 2057 GMT 31 Jul 93

[Text] Knin, 31 Jul (TANJUG)—General Bernard Baudot, UNPROFOR [UN Protection Force] commander for sector south, told TANJUG this evening that there are no official reports on the withdrawal of the Croatian Army from the occupied territories in Krajina and the UN protected areas.

Gen. Baudot said that if the Croatian Army fails to withdraw, he would carry out the order and withdraw "blue helmets" from the currently held positions to behind the front lines of the Serb army of Krajina. UNPROFOR has recently taken these positions in preparing to take control of the Peruca hydroelectric plant, Zemunik airport, and the Maslenica bridge.

UN Envoy Protests Muslim Offensive in Bosnia to UN

LD3107212193 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 31 Jul 93

[Text] The permanent representative of the Republic of Croatia in the United Nations, Mario Nobilo, has sent a letter to the chairman of the Security Council, Sir David Hannay, informing him about the tragic situation in central Bosnia and in Herzegovina where the offensive by Muslim forces continues.

Thousands of Croats have been forced to leave these areas, which are now ethnically cleansed, while about 200,000 people are encircled by Muslim and Serb forces in several small enclaves. UNPROFOR's [UN Protection Force] report from 29 July says that forces of the Bosnia-Herzegovina Army are advancing southwards, driving Croat forces back. The Republic of Croatia has sent two letters to the Security Council raising this issue and has called for an urgent session of the Security Council. Unfortunately, the Council has so far failed to take adequate measures to halt the attacks on Croats in central Bosnia. I therefore repeat the call for an urgent Security Council session, sincerely hoping that it will help all imperilled people in Bosnia-Herzegovina. This is stressed in a letter sent by the permanent representatives of the Republic of Croatia in the United Nations, Mario Nobilo, to Security Council chairman David Hannay.

UNPROFOR Representative Meeting With Army Commander

LD3107195893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1831 GMT 31 Jul 93

[Excerpts] Belgrade, 31 Jul (TANJUG)—General Mile Novakovic, commander of the army of the republic of Serb Krajina [RSK], and Brigadier General Bernard Baudot, UNPROFOR [UN Protection Force] commander for sector south, met in Knin four hours before the expiration of the deadline for the withdrawal of the armed forces of the Republic of Croatia from the occupied Serb territories.

As TANJUG has learned at the RSK state commission for cooperation with the UNPROFOR, the urgent meeting was convened at the UNPROFOR's request. Representatives of the peace forces were in constant contact with Zagreb, and Gen. Baudot has probably arrived with a fresh initiative.

Whether the new initiative is a Croatian request to extend the deadline for withdrawal or some proposal through which the UNPROFOR is trying to find a solution to save the Erdut agreement will be known only after the talks. [passage omitted]

The commander of the peace forces for former Yugoslavia, Gen. Jean Cot, held talks with Gen. Novakovic around 1430 GMT today in Knin. He then went to Zagreb for further consultations with Croatian authorities. As it has been announced, they will hold a news conference there. [passage omitted]

Krajina Prime Minister Says Croatia Has Opted for War

LD0108145993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1336 GMT 1 Aug 93

[Text] Knin, 1 Aug (TANJUG)—Krajina Prime Minister Djordje Bjegovic today sent a letter to UN Secretary General Butrus Burus-Ghali, the chairman of the Security Council, the cochairmen of the conference on former Yugoslavia, and UNPROFOR's [UN Protection Force] command in Zagreb, in which he demands that relevant international factors exert pressure on Croatia to make it honor its obligations from the Erdut agreement.

Although it is past noon—the latest deadline for the withdrawal of the Croatian Army from Krajina and the so-called UNPA [UN Protected Areas] zones—there is still no reliable information on whether Croatian forces are leaving Krajina.

Likewise, nothing is known about the results of the talks between UNPROFOR's Deputy Commander General John MacInnes, and Croatian General Janko Bobetko, that began at 1100 today in Zadar.

For this reason, Bjegovic's letter stresses that "the Croatian side has opted for a continuation of combat operations, ignoring the authority of the Security Council and the UN secretary general personally."

In such a situation, Bjegovic adds, "we cannot assume responsibility for the possible consequences or the continuation of the war."

The Serbs in Krajina, the letter concludes, "have no other alternative but to fight for their liberty, dignity, and honor."

Foreign Minister Granic Returns From U.S. Trip

LD0108142393 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 1 Aug 93

[Text] Croatian Foreign Minister and Deputy Prime Minister Mate Granic has returned from a visit to the United States. Speaking to correspondents, Granic expressed satisfaction with the visit during which he had talks with UN Secretary-General Butrus-Ghali and the ambassadors of a number of important countries—UN Security Council members. Granic positively assessed the fact that the world organization was well-informed about the sufferings of Croats in Bosnia—the fact ignored by the world media. Reiterating that Croatia would not extend the UN Protection Force's [UNPROFOR] mandate, if UNPROFOR fails to become efficient, Granic expressed hope, however, that the situation would be resolved in the peaceful way with the help from the world organization.

Air Raid Alert Sounded Over Krajina

LD0108141593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1403 GMT 1 Aug 93

[Text] Knin, 1 Aug (TANJUG)—An air alert was sounded in Knin at 1555 [1355 GMT].

The population is descending into air-raid shelters and basements.

Croats To Withdraw; Serbs To Extend Deadline

LD0108010093 Belgrade TANJUG Domestic Service in Serbo-Croatian 0020 GMT 1 Aug 93

[Text] Belgrade, 1 August (TANJUG)—This evening, Corps General Janko Bobetko issued an order to the Croatian Army to withdraw from occupied territories of the republic of Serb Krajina, and the Serb side accepted that the withdrawal deadline that expired at midnight on 31 July be extended until noon [1000 GMT] on 1

August. TANJUG learned this tonight from Colonel Nikola Krosnjar, liaison officer of the army of the republic of Serb Krajina for communication with UNPROFOR [UN Protection Force].

Bobetko's message saying that he has issued an order to this effect was conveyed to the deputy commander of the army of the republic of Serb Krajina Col. Kosta Novakovic by General Bernard Boudet, UNPROFOR commander for sector south.

The Serb side made this concession, according to Krosnjar, who also took part in the talks, because there was a delay in informing UNPROFOR about the withdrawal order, and, therefore, it was not ready to organize its redeployment in the Blue Zone, which the Croatian Army of occupation ought to leave.

"The thing is that the Croats were not ready to withdraw, but because of the huge pressure coming from the international community they suddenly adopted that decision and a letter from Gen. Bobetko, which was sent from Split, arrived late last night [31 July]," Krosnjar said.

Because of that, the withdrawal deadline could not be met, the Serb side was told. The letter says that an order has been issued on the withdrawal to the territory behind the demarcation line of 22 January, which includes the withdrawal from Peruca hydroelectric power plant and Miljevac Plateau.

"We are ready to refrain from all actions in order to enable UNPROFOR to do their job by noon on Sunday, but we consider the Maslenica brigde closed as of 0100 tonight," Col. Krosnjar concluded.

Deadline Extended Until 3 Aug

LD0108230093 Belgrade TANJUG Domestic Service in Serbo-Croatian 2222 GMT 1 Aug 93

[Text] Knin, 1 Aug (TANJUG)—Peace in Krajina has been prolonged for two more days. At this evening's meeting with UNPROFOR [UN Protection Force] representatives, the civil and military authorities of the republic of Serb Krajina [RSK] accepted the extension of the deadline for the withdrawal of Croatian military forces and police from the occupied territory until 3 August at midnight [2200 GMT].

After the withdrawal, UNPROFOR units will take control of the entire zone, i.e. occupied area—the Maslenica bridge, Zemunik airport, and the Peruca hydroelectric power plant. It was agreed that the UN Security Council will be the guarantor for this agreement and that the airport and bridge will not be used over the next two days.

Army To Withdraw From Three Serb Villages

LD3107223593 Belgrade TANJUG Domestic Service in Serbo-Croatian 2212 GMT 31 Jul 93

[Text] Belgrade, 31 Jul (TANJUG)—Croatia has announced through the UNPROFOR [UN Protection Force] that it is ready to withdraw its forces from only a part of the occupied Serb territories, Colonel Kosta Novakovic, assistant commander of the army of the republic of Serb Krajina, told TANJUG this evening.

This offer was conveyed to the Serb side by Brigadier General Bernard Baudot, UNPROFOR commander for sector south, only three hours before the expiration of a deadline for the withdrawal of the Croatian Army, which is at 0000 [2200 GMT on 31 July].

According to what Gen. Baudot told the Serb side, Ante Gotovina, commander of the Croatian Army for Dalmatia, had informed him that an order had been issued to the Croatian Army to withdraw from three Serb villages—Islam Grcki, Kasic, and Smokovic—which, according to the Erdut agreement, should be controlled by UNPROFOR and the Serb police.

As Gotovina said, [Croatian Defense] Minister Bobetko has expressed readiness to withdraw his troops both from Maslenica and Zemunik airport. The Serb side, however, demands that the Croatian Army also withdraw from Miljevac plateau and the Peruca hydroelectric power plant, i.e., it wants the Erdut agreement to be fully honored.

"Our guarantees expire at midnight [2200 GMT] tonight, and after that we cannot guarantee anything, even more so because provocations by the Croatian Army have already begun," Novakovic said in a phone conversation with a TANJUG journalist. He said that at 2017 GMT this evening the Croatian forces fired three shells on the village of Kistanje. He recalled that a public statement had already been issued and forwarded to UNPROFOR demanding the closure of the Maslenica pontoon bridge by 2300 GMT tonight, due to the fact that Croatia has not fulfilled the agreement despite a repeated request by the UN Security Council yesterday.

At 2100 GMT Gen. Baudot asked for a new meeting with Gen. Novakovic. Their meeting in Knin is under way.

No Sign of Army Withdrawing From Krajina

AU3107165593 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 31 Jul 93

[Danko Peric report from Knin]

[Text] The Erdut agreement and last night's UN Security Council decision dictate that the Croatian Army must pull back from Maslenica and other occupied territories of the republic of Serbian Krajina by midnight at the latest.

In a morning press center statement, the Krajina Headquarters said there has been no sign whatsoever of the Croatian Army withdrawing and handing over control of the installations to UNPROFOR. The Serbian villages of (?Ravno) and Kotari that are still under occupation would be patrolled [words indistinct] UNPROFOR and Krajina policemen.

This statement anticipates possible armed and other provocations by the Croatian Army, possibly the mining of a pontoon bridge. The mining would then be ascribed to Serbs rather than the real perpetrators, provoking the stigma of the entire international public .

There is increasingly less evidence that Croatian soldiers will withdraw by midnight, and few care for the game Croatian diplomacy is playing with the nerves of international protagonists.

According to what are for the time being still unverified reports, unusually active diplomatic activity between the Krajina Serb army command and UNPROFOR command took place the entire morning.

We have learned that UNPROFOR Commander General Jean Cot is expected to arrive in Knin this very moment.

Krajina Authorities Call Soldiers to Combat Units

LD3107194893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1855 GMT 31 Jul 93

[Text] Knin, 31 Jul (TANJUG)—The government and the command of the army of the republic of Serb Krajina [RSK] this evening addressed the people, soldiers, police officers, and volunteers with a proclamation stressing that the Croatian side has not yet fulfilled the obligations it assumed in signing the Erdut agreement.

Underlining that the RSK has fulfilled all its obligations stemming from the agreement, for which it received recognition from the UNPROFOR [UN Protection Force] command and negotiators in the conflict between Krajina and Croatia, the top civilian authorities in Krajina stress that "the withdrawal must be effected either by force or by peaceful means."

Stressing that patience has been stretched to the limit and that "our decision is well-known," the government and the main headquarters of the RSK army have called on volunteers and all those who are currently not in their units to report to their combat units.

The international community finally recognizes that we are on the right path in the defense of our freedom and dignity, the proclamation stresses at the end.

Makarska Residents Must Declare Resident Refugees

LD3107142593 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 31 Jul 93

[Text] The local authorities in Makarska and in the newly founded municipalities of Brela, Baska Voda, Podgora and Grac, have issued a proclamation calling on house owners to report all refugees accommodated in private houses, in accordance with the law on circulation and residence of foreigners in the country. This will enable the authorities to determine the exact number of refugees accommodated in the Makarska coastline area. The data will also be used for humanitarian and other purposes. All those who are discovered to have failed to report refugees staying in their houses will be punished in accordance with the law on the circulation and residence of foreigners in the country.

Ganic 'Shocked' by Police Crackdown on Refugees

AU3007130293 Paris AFP in English 1211 GMT 30 Jul 93

[Text] Zagreb, July 30 (AFP)—Croatian police have arrested an estimated 200 refugees in a government crack-down against Bosnian Moslems not carrying up-to-date papers, a Bosnian Embassy spokesman said here Friday [30 July].

A manager at the Pescenica sports centre, east of Zagreb, where 100 refugees were detained from Wednesday [28 July], told AFP they were arrested for not being "legal residents" and taken by coach Thursday evening [29 July] to a village near the Bosnian border.

The Bosnian Embassy spokesman said the majority of those arrested did not have the right papers because their refugees cards had recently expired. But a number of them were unable to get their cards renewed while others were arrested even though they had a valid refugee card, he added.

In Sarajevo, Ejup Ganic, deputy leader of the Bosnian collective Presidency, said he was "shocked" by the mass arrests, adding that it could lead "to a deterioration in Moslem-Croat relations in Bosnia and between the two republics."

Radio Sarajevo said the Croats wanted to exchange the Moslem detainees for Croat prisoners held by Moslem forces.

Fighting between Croats and Moslems in central and southern Bosnian has led Zagreb to harden its stance against Moslem refugees.

On July 22, the Croatian Government said it would only accept Bosnian Moslem refugees wanting to join their families in Croatia and only then with close cooperation from the U.N. High Commissioner for Refugees (UNHCR).

On Thursday, Zagreb called for an emergency U.N. Security Council meeting to stop "extremist Moslem aggression," against regions in Bosnia-Herzegovina populated mainly by Croats.

Meanwhile, the International Court of Justice at The Hague will meet on August 25 to discuss "survival measures", called for by Bosnia-Herzegovina, a spokesman there said Friday.

Bosnia on Tuesday [27 July] asked the the U.N. Court to take urgent measures against the Federal Yugoslav Republic (Yugoslavia and Montenegro) saying: "In addition to its genocide campaign against the Bosnian people, it is currently planning, conspiring and negotiating the partition, dismemberment, annexation or incorporation of Bosnia by genocidal means."

The "measures" envisaged include the immediate cessation of all Serb attempts at annexation or carving up of Bosnia immediately and the right for Bosnia to defend itself by asking other countries for help, arms and manpower. The plea for arms, if accepted, would prevent U.N. forces from continuing their aid mission in Bosnia.

Official on Policy Toward Sheltering Refugees

LD3107142993 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 31 Jul 93

[Text] In response to appeals the Croatian Government received from Herzegovina in the past two days asking for assistance with accommodating Croats driven out of central Bosnia, our journalist Jadranka Kosor spoke to Adalbert Rebic, head of the government's office for displaced persons and refugees.

[Begin recording] [Kosor] Mr. Rebic, what has the government's office for displaced persons and refugees decided about sheltering Croats driven out of central Bosnia?

[Rebic] We have arranged with local authorities in Herceg-Bosna to find accommodation for them in safe areas in western Herzegovina, in the towns of Livno, Tomislavgrad [formerly Duvno], Grude, and Medjugorje. We kindly ask the local authorities in Herzegovina to keep the refugees within the borders of Herceg-Bosna wherever that is possible. If they need supplies of food or anything else, we will gladly help. We will send food supplies from Split as early as Monday.

I asked the UN High Commission for Refugees [UNHCR] to increase the food distribution in Herzegovina for Croatian and other refugees. I was firmly promised that they will do this, and I have had it confirmed that the UNHCR is doing it. I suppose that about 3,500 to 4,000 of our refugees arrived from Bugojno yesterday and the day before. It is definitely possible to accommodate them in safe areas in western Herzegovina.

[Rebic] And if all Croatian refugees from central Bosnia cannot be accommodated in that area?

[Rebic] We will help. However, at the moment we have no facilities other than hotels, and the government's decision is not to open hotels [for refugees]. I am appealing to the public not to panic and to address institutions and officials in charge of the reception of refugees, either in Herceg-Bosna or the Republic of Croatia. I am also appealing to the public not to exaggerate the figures. [end recording]

Serb Artillery Attacks on Zadar Continue

LD0108212193 Zagreb Radio Croatia Network in Serbo-Croatian 2100 GMT 1 Aug 93

[Text] Attacks by Serb artillery in the Zadar hinterland, which began at 1640, continued this evening. The targets are Novigrad bay, the wider area of Zemunik airport, and other positions of Croatian defenders in the Zadar hinterland. Until 1900 this evening the Serb rebels were opening low-intensity artillery fire on Novigrad bay and Kasic. After that they started opening fire on Maslenica and Zemunik airport.

An incendiary shell caused a fire near the airport, which has been contained. The population of Zadar, Biograd, and other places in their vicinity are warned to be cautious because of possibile artillery attacks on civilian targets.

Parliament Debates Arms Find at Maribor Airport

AU3007155293 Ljubljana Radio Slovenia Network in Slovene 1700 GMT 29 Jul 93

[Excerpts] This afternoon, deputies of the State Chamber opened the debate about the reply of the Government of the Republic of Slovenia to a deputy's question concerning the weapons found at Maribor Airport. Here is Robert Skerjanc reporting from the Parliament building:

[Begin Skerjanc reporting] As he had proposed the debate on the weapons affair at Maribor Airport, Ludvig Toplak, deputy of the Slovene People's Party, was the first to speak. He pointed out that his group of deputies is of the opinion that the weapons find is proof of the inefficiency of the Slovene state executive. Apart from the need to file criminal charges in the case of the services responsible, above all the Ministry of Internal Affairs and the Customs Service, he also demanded that their political responsibility should also be established. Thus he proposed that the State Chamber establish a special investigating commission that would examine the background of the (?appearance) of such a large quantity of weapons.

Joze Pucnik asked in what kind of state we are living when such a large quantity of arms is discovered in the second largest city in Slovenia after such a long time. He asked about the responsibility of the Maribor security services, and whether involved here is criminal activity of individual people or whether threads may lead somewhere else, to some higher places. [passage omitted]

Representatives of the Government also presented information and their views. Franc Kosir acquainted the deputies with the customs regulations. He said that Slovenia, as a signatory of the convention on the transit of goods, had not inspected these goods. Its task was to ensure that the goods leave the state in the same condition as when they entered it. He also said that the customs service had acted in conformity with existing legislation. However, the service has already started an investigation into the heads of the Maribor Customs Service and its employees.

Ivo Bizjak said that the investigation is directed toward revealing the entire background to the affair and that it is already under way. The Ministry of Internal Affairs has also introduced a thorough internal investigation in order to see whether, owing to negligence or whatever, anybody had failed to do his proper duty. Bizjak also said that the Slovene Intelligence and Security Service is cooperating on the Ministry's investigation, considering that some of the Service's members had participated in the arms deal.

[Defense] Minister Jansa said that on the basis of information received, the Defense Ministry had first informed the Customs Service and asked it to investigate the matter. The report was sent to the Service on Tuesday [20 July] afternoon. Customs officers checked the warehouse on Wednesday and discovered the arms. Therefore, in his opinion, it is wrong to suggest that the Customs Service is involved in the affair, but [words indistinct] if they had known about the arms a day earlier they could have removed them.

After the Government representatives had spoken, the first to take part in the debate was Janez Kocijancic. He also asked how it was possible for such a large quantity of arms to remain unnoticed for such a long time. [passage omitted]

Finally, the deputies decided that they would discuss the matter and decide upon it at their next session. Until then, the Government must collect new information. [end recording]

Muslim Official on Incident

LD3007193293 Belgrade TANJUG in English 1553 GMT 30 Jul 93

[Text] Maribor, July 30 (TANJUG)—Hasan Cengic, member of the leadership of the Moslem Party of Democratic Action (SDA) for the former Yugoslav Republic of Bosnia-Herzegovina, warned the leadership of the former Yugoslav Republic of Slovenia on Friday [30 July] of interfering too much in an arms smuggling affair in which a huge amount of munitions was discovered last week at Maribor airport in Slovenia.

Around 120 tonnes of arms was smuggled into Maribor, most probably from Khartoum through Hungary, organized by the Red Crescent and was intended for Moslems in Bosnia-Herzegovina, where a civil and ethnic war has been waged for 16 months between the local Moslems, Serbs (Christian Orthodox) and Croats (Catholic). The arms and ammunition were delivered to Slovenia cleared as "humanitarian aid."

Cengic, an aide of the Bosnian Moslems Alija Izetbegovic, told the Maribor daily VECER that the discovered arms had nothing to do with smuggling and that the persons arrested were not guilty at all. The daily says that such a statement obviously implies that the strongest political forces in both Slovenia and Bosnia-Herzegovina are involved in the dirty affair of smuggling arms for the Moslems in Bosnia-Herzegovina.

Friday's edition of the daily VECER says the Hungarian authorities have put an embargo on all information regarding this case, because of the involvement of certain Hungarian companies in this affair.

An embargo on arms import was imposed in the entire territory of the former Yugoslavia almost two years ago. Since then, the Moslem side has persistently been urging the West and the international community to exempt the Moslems from the ban.

It is no secret, however, that the Moslems in Bosnia, in spite of the embargo, are receiving munitions from many countries, especially Islamic states which strongly support the Bosnian Moslems' efforts to create what would be Europe's first Islamic, fundamentalist state.

Government Signs Agreement on Croatian Borders

AU3007155493 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 30 Jul 93

[Excerpt] In Cateske Toplice today, representatives of the Slovene and Croatian Governments signed an agreement on setting up joint bodies for establishing the states' borders, as well as on determining those bodies' powers. After the agreement was reached by Foreign Ministers Peterle and Granic, it was signed by Ignac Golob, state secretary to the Foreign Ministry, and Dr.Ivo Sanader, deputy foreign minister of the neighboring state. Here is a report by Nadja Pengov:

[Begin Pengov recording] The governmental agreement signed today is one of those agreements that should have been signed at the meeting of the foreign ministers in Ljubljana that had been announced and then postponed at the last moment. But today's signing nevertheless represents a beginning. It is also important because it concerns something that has already been achieved in the political sphere regarding the establishment of the state border.

The signing of the agreement was attended by both ambassadors, Matija Malesic and Miljenko Zagar. [passage omitted] [end recording].

Transportation Agreement With Hungary Signed

AU2007142393 Ljubljana Radio Slovenia Network in Slovene 1700 GMT 19 Jul 93

[Report by Ernest Ruzic from Budapest]

[Text] Transportation Ministers of Slovenia and Hungary Igor Umek and Gyorgy Schamschula signed an agreement on a new modern transport system in Budapest this afternoon. This entails a highway leading from Trieste via Koper, Ljubljana, and Lendava to Hungary, a railway connection from Murska Sobota via Hodos to Hungary, increased traffic via the port of Koper, a change of emphasis from road to rail, the establishment of a Ljubljana-Budapest air link, the laying of an optical fiber cable that would facilitate better postal communications, and joint appearance in numerous European institutions, including financial ones.

The ministers coordinated the interests of the states during their talks in Budapest. The agreement that the countries will put forward their projects together is especially important. Namely, Slovenia has been bypassed by all European communication corridors and is thus particularly interested in the highway being incorporated into future European traffic routes. They were so optimistic in Budapest that they forecast that this highway will be ready for use by 1999.

The Hungarian side also opted for a new route for the rail link, namely, from Murska Sobota via Hodos and not via Srebrni Breg and Monostor.

They agreed to order a viability study for the rail link and stressed that both counties are most interested in its construction, also in view of the shipping of goods to and from the port of Koper, with which Hungary has been cooperating well so far in spite of the rather high prices.

The Slovene delegation is satisfied because the most important initial positions for the cooperation have been coordinated. Individual projects will be managed by special groups.

Federal

Projected Use of U.S., NATO Air Strikes Criticized

PM3007193193 Moscow KRASNAYA ZVEZDA in Russian 31 Jul 93 p 2

[Interview with Colonel General Zivot Panic, chief of the Yugoslav Army General Staff, by Sergey Sidorov; place and date not given: "Diplomatic Pressure or Threshold of Intervention?"]

[Text] *UN Secretary General Butrus-Ghali announced Thursday at the organization's headquarters that U.S. President Bill Clinton will in the next few days—"Monday or Tuesday"—reach a decision on using air strikes against Bosnian Serb positions.*

The same day leading U.S. newspapers confirmed that Clinton is studying the possibility of using the USAF to "break the blockade of Sarajevo." Such an action in Bosnia would go much further than the use of air power approved by Security Council Resolution 836 to protect the "safe zones," which include Sarajevo. KRASNAYA ZVEZDA asked Colonel General Zivot Panic, chief of the Yugoslav Army General Staff, to comment on the situation.

[Sidorov] What is this, an attempt to influence the talks between the warring Bosnian groupings currently being held in Geneva, or a real threat? How seriously are the Bosnian Serbs taking it?

[Panic] U.S. military specialists have on several occasions pointed out the counterproductiveness of using military measures against the Serbs in Bosnia, and I share this view. But sometimes politicians can incline the supreme commander toward making what he knows is a hopeless decision, especially if the United Nations shows that it is willing to "rubber-stamp" such a decision. Up to now the United States has carried out all its threats to use force, with the exception of two cases—the Cuban missile crisis and Yugoslavia. In my view, everything that is happening today with regard to the former SFRY is a particular kind of pressure which intensifies each time talks are about to begin. The present dialogue in Geneva, according to my information, is going quite well. But it seems that those who are piling on the pressure want the talks to end in a way that suits them.

[Sidorov] Nevertheless, there are already some 20 groups of air force specialists in Bosnia who are ready to tackle the tasks of guiding combat aircraft to the reconnoitered targets.

[Panic] This is true. There are forward air controllers in Srebrenica and Gorazde. The aircraft are ready too—78 aircraft at an advanced stage of readiness have been deployed to air bases in countries bordering what used to be Yugoslavia. They have already flown more than 4,000 combat flights over Bosnia and Herzegovina. So everything has been prepared right down to zero hour, as the military say. However, if things reach the point where these forces are used, there will be major problems. Hostilities on the ground will certainly spread, and all sides' losses will increase. Moreover, a three-sided civil war is in progress in Bosnia, and at the present time the principal operations are being conducted by Croat and Muslim troops. So who do the Americans intend to bomb?

Finally, air strikes against Bosnia would have to be carried out from a considerable height. Whereas these conditions are fine for stationary targets, moving targets are another matter entirely.... Basically, there is just one conclusion: The actual use of air power by the United States or NATO will not lead to a resolution of the Bosnian crisis.

Kontic Urges Exemption of Aid From Sanctions

LD3007212893 Belgrade TANJUG in English 2107 GMT 30 Jul 93

[Text] Belgrade, July 30 (TANJUG)—Yugoslav Prime Minister Radoje Kontic on Friday appealed to the U.N. Sanctions Committee to urgently grant permits for humanitarian aid deliveries to the Federal Republic of Yugoslavia. In a letter to president of the council David Hannay, Kontic said that Yugoslavia had found itself in an exceptionally difficult situation because the U.N. embargo was also being applied to humanitarian aid although it was exempt from the sanctions.

The comprehensive sanctions against Yugoslavia were introduced in late May last year over its alleged involvement in the civil war in the former Yugoslav Republic of Bosnia-Herzegovina. A severe shortage of medicines, medical equipment and spare parts persisting for several months has threatened the lives of women, children, the elderly and the sick, especially the seriously ill whose lives depend on the understanding of the international community, said Kontic. The lives of many refugees are also threatened, he added.

Over 650,000 people from the war-torn areas in former Yugoslavia have sought refuge in Yugoslavia. "At present, over 50 percent of vital medicines for primary health care are lacking, together with medicines for heart and kidney patients. Illnesses that we thought had been eradicated here along time ago, such as typhoid fever, tb and cholera, have reappeared," said Kontic. "I do not even dare predict what will happen when the stocks of natrium chloride for water processing plants become completely depleted," he warned.

The Yugoslav prime minister appealed to Hannay to pledge his personal authority for the urgent solving of these probems because every future blockade of the committee's work "will only prolong the suffering and plight of innocent people who have already reached their existential minimum."

Over the past week, the U.N. committee had turned down all requests for humanitarian aid deliveries to Yugoslavia, under pressure from a group of nonaligned countries.

Croatian Ambassador to FRY To Visit Belgrade

AU0108161193 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 1 Aug 93

[Text] Today's issue of POLITIKA EKSPRESS carries a statement by Dr. Zvonimir Markovic, ambassador of the Republic of Croatia to the FRY, that he will arrive in Belgrade in 10 days. Ambassador Markovic announced the coming talks of the Serbian and Croatian state delegations.

Shipping Industry Asks To Navigate Danube's Domestic Waters

LD3107211293 Belgrade TANJUG in English 1932 GMT 31 Jul 93

[Text] Prahovo, July 31 (TANJUG)—Director General of the Yugoslav Inland Shipping Industry (JRB) Dusan Strugar told a news conference in Prahovo on Saturday that, unless the JRB vessels are allowed to pass through the lock of the hydro-electric plant Djerdap II on the Romanian side of the dam, JRB will anchor in the Yugoslav waters of the Danube River and block the passage to all vessels.

Almost one third of the JRB's fleet is blocked in the Yugoslav port of Prahovo, downstream of the hydro-electric power plant Djerdap II, because the Romanian authorities have been refusing to allow these vessels to pass through the lock on their side of the dam since January this year, owing to sanctions imposed on the Federal Republic of Yugoslavia by the international community. The lock is the only link between the Yugoslav ports of Prahovo and Belgrade.

Strugar told journalists that the Yugoslav vessels are not permitted to sail from one Yugoslav port to another and stressed that no U.N. Security Council resolution forbids ships to sail within the national waters.

During the construction of the Yugoslav-Romanian dam, it was agreed that the lock on the Romanian side would be treated as part of the international and not Romanian waters until the lock on the Yugoslav side is completed.

The building of the lock on the Yugoslav side, which, according to the international contract, is incomplete, has missed the deadline by several years and it is still uncertain when it will be completed.

JRB representatives on Saturday showed foreign and local journalists that all of the vessels waiting to go through the lock are empty.

'Majority' of Urban Residents Reportedly Malnourished

AU0108161993 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 1 Aug 93

[Excerpt] Professor Borivoje Vracaric from the Medical Faculty in Belgrade [words indistinct] warns that the nutrition of urban families is growing worse by the day, especially in the economically weaker families and families that have taken in refugees.

Professor Vracaric does not even rule out that a segment of the population is literally starving; the majority is malnourished. He believes that the clinical signals of starvation can be expected by the end of this year and the beginning of the coming year. They will be accompanied by the most common diseases such as tuberculosis and other infectious diseases.

Urban residents without relatives in the countryside who are surviving on salaries or pensions are in a particularly difficult situation. It is estimated that only 10 percent of the population meets dietary requirements. The quality of nutrition in social institutions that are supposed to supplement and correct family nutrition, has gone considerably downhill; the number of program participants has diminished. [passage omitted]

Defense Minister Bulatovic on Army's Problems

AU3007154893 Belgrade VOJSKA in Serbo-Croatian 22 Jul 93 pp 5-7

[Unattributed report on speech given by Defense Minister Pavle Bulatovic, to the Federal Assembly in Belgrade, date not given: "Alleviating a Chronic Shortage"]

[Text] Addressing the deputies in both chambers of the Federal Assembly, Pavle Bulatovic exhaustively explained the position of the major recipient of the federal budget, the Army of Yugoslavia, and in this context, he recalled the dangers that the security and independence of our country are subjected to under the present international circumstances. We have published the federal defense minister's speech with only insignificant omissions.

Unprecedented Military Forces and the Threat of War

1. Never in recent history has such a military force been concentrated around the borders of one country as in the immediate vicinity of the FRY. I am not claiming that this force will actually be used against us, but I am claiming that the danger posed by the military option has not receded.

2. The war in the former Bosnia-Herzegovina is not in any way coming to an end, but we are the ones who are being most accused of conducting it. The fact that these accusations are unfounded has not had a great effect, but we must recognize in them the motives and interests of the foreign factor as a whole. Objectively, this war is threatening to spread even to the territory of our state.

3. Croatia is, increasingly, openly threatening the republic of Serbian Krajina with military force, which could develop into a great Croato-Serbian war with the probable involvement of the foreign factor. One should also recognize dangers for our security and independence in this.

4. Apart from the fact that our country has, for quite a while, already been subjected to low-intensity actions, in which all forms of pressure have been applied except for the direct use of military force, there has been an increase in total the military potential in our immediate vicinity. This is reflected in an increase in the combat readiness and mobility of the armed forces of neighboring countries despite a reduction in their numbers. In this fact, one should recognize the possibility of different forms of pressure from some neighbors in view of the alleged threat to their ethnic minorities. Attempts are being made to use the position of the ethnic minorities in the FRY, above all the Albanian, Muslim, and Hungarian minorities, to break up the territorial integrity of the FRY and to further dissect its state territory. Secession, and even armed rebellion, is being openly threatened, which, again, could not happen without direct foreign military interference.

5. The sanctions against the FRY are bringing the country and its citizens to the point of economic exhaustion and to the threshold of social tolerance.

A position such as this and the circumstances in which our country finds itself undoubtedly require that we have a sufficiently strong military force; well organized, morally strong, well trained and equipped with up-to-date means because "sharp bristles protect ears of corn; protect the rose by cutting off the thorns."

The Army Has Survived Despite the Collapse of the State

In what kind of position has our Army found itself in the last few years?

This is an army that has been left without 50 percent of its homeland. An army that has been betrayed by politicians, officers, and soldiers; an army that had to abandon, in battle, barracks, arms, equipment, premises, tens of thousands of apartments, factories, and plants and so on. This is an army whose state has collapsed but has survived nonetheless.

It is realistic to expect that, under such conditions, mistakes and errors have been made in the organizational and operational functioning of the Army. Malicious joy and imputations will be of least help to its total consolidation.

The process of our army's transformation began in practical terms with the Decision on the Renaming of the Yugoslav People's Army to the Army of Yugoslavia, which was made in May 1992.

Under extremely difficult circumstances, commands, units, and institutions were set up according to the new organization. Some units were relocated and resources, weapons, and military equipment were redistributed. War plans were formulated and other documents were elaborated in line with the new organizational-formation structure and the situation in the country and the surrounding area.

The system of command and control is already functioning according to the new organization: military regions have been reformed into armies and operations groups, and military-territorial units have been set up.

With the present implementation of the transformation plan, conditions have been created for the development and strengthening of the combat readiness of all sections of the Army of Yugoslavia.

A transformation that has not required great financial investment has so far been implemented. Considering the country's economic potential, the process of the transformation and the further development of the combat readiness of units has slowed down considerably and has come to a virtual halt.

Rationalization, Restriction, and Economy Measures

At the time that the present budget was passed, it was pointed out that the approved funds of 38,000 billion—instead of the necessary 55,000 billion dinars—would not be able to cover even 70 percent of the minimal needs of the Army that had been established at that time. From the very start, the Army of Yugoslavia had, thereby, strict restrictions placed on it because, with a smaller amount of approved funding, it had to primarily cover the requirements that were important for combat readiness. Everything else was abandoned or postponed, rigorous measures were introduce to rationalize, restrict, and economize in all areas of spending. The responsibility of commanders was also stepped up regarding the restricted and rational use of material and financial resources in the framework of the approved plans. Life and work in units and institutions has been extremely rationalized and reduced to only the basic activities with the minimum of expenditure.

The Army Has Been Put in a Hopeless Situation

The measures that have been taken so far in order to rationalize, restrict, and economize have not been able to overcome the gulf between the approved and the required resources, especially because of the need to maintain the essential level of the Army's combat readiness. Insurmountable problems have arisen with the irregular and insufficient inflow of the approved financial resources. Thus, for example, in June, the average daily expenditure amounted to 1,130 billion dinars and the average daily inflow of finance was 421 billion dinars, which means that, in that month, only 37 percent of obligations was covered. In the whole period from January to June, the Army could cover, from its financial inflows, only 44 percent of its obligations, so the total unpaid obligations amounted, at the end of June, to 18.571 trillion dinars.

The failure to adopt the federal budget in this Assembly has meant that the Army of Yugoslavia has been put in a hopeless situation! Unpaid obligations have now reached the level of about 35 trillion dinars (this was the situation on 9 July 1993), so that the unpaid debt to 33 suppliers alone amounts to 13.028 trillion dinars. Suppliers have been paid for the goods that have been sold to the Army of Yugoslavia and the services that have been done for it with a delay of up to 30 days and sometimes longer, because of which, under conditions of hyperinflation, enterprises are suffering huge losses. This has caused them to do business with the Army, almost without exception, solely by payment in advance, even when this has involved purchasing goods and services like food, medicines, clothes, public utilities, and so on.

Faced with financial problems, the Army of Yugoslavia has been forced to use its existing peacetime stores and some of its wartime ones too. Therefore, providing units with some types of ammunition and weapons has become urgent, even though some of these resources can be produced without great problems by making use of the available industrial capacities in the country.

The existing medical equipment in the military-health institutions has almost reached the end of its working life. Because of the lack of spare parts and the impossibility of importing them, it has become very difficult to service medical equipment, and complex systems have even stopped working.

Peacetime stores of sanitary materials in military health institutions, which used to be kept at a level of provision for two to three months and which facilitated the stable functioning of the medical service, have now been reduced to a critical minimum of five to seven days.

Reduced Size of Resources

I want to point out to this preeminent chamber that the proposed resources for financing the Army of Yugoslavia in the readjusted federal budget, which amounts to 964.362 trillion dinars, does not even cover its most necessary needs for 1993.

If one proceeds from the approved budget for the Army of 38 trillion dinars, which we have said has been restricted by 30 percent in relation to the minimum needs, and this amount has been valorized according to the actual rise in prices up to and including June and the projected rise in prices until the end of the year of 50 percent a month, one comes to the amount of 2,223 trillion dinars. If we compare the proposed 964,000 billion dinars with this amount, we reach a total of 43 percent of resources. This means, that the Army is faced with a real reduction of resources of 57 percent, thereby continuing the earlier trend of reductions in the size of funding for its needs. As an illustration, I can cite the fact that the budget of the Yugoslav People's Army, in 1991 (recalculated according to the average official rate of exchange), amounted to $2.6 billion. If we compare the economic and other indicators of the FRY and the former SFRY, then we reach the fact that, in that year, the Army had $1.3 billion. By 1992, the Army's budget had been reduced by a billion dollars. With the proposed readjustment in 1993, the funding for the needs of the Army amounts to $0.41 billion. Converted to the rate of exchange on the black market, the budget of the Army of Yugoslavia in the current year is reduced to just $138 million.

In line with the proposed amounts, the Army will be forced to restrict its needs even more. To judge by everything, not even with this readjustment will we be able to resolve the problem of financing the Army until the end of the year, because predictions of a rise in prices in July of 50 percent have, to a great extent, been denied. This situation imposes the dilemma of what to do even if the resources that have been asked for are approved. We have decided in favor of selective reductions in funding for certain purposes. In percentages, finance for the Army's current expenses would be reduced the most and in the following way: material costs [materijalni troskovi] would be reduced by 59.5 percent; finance for wages by 57.9 percent; army pensions by 59.6 percent. The resources for financing the program to provide equipment for the transformation of the Army would be reduced the least in real terms (by 52.4 percent). In this respect, investment in military premises would be reduced in real terms by 86 percent, while finance for the purchase of weapons and military equipment would be reduced the least. Even despite this, insufficient means for financing the Army would be reflected in the vital areas of research and development work and would undermine the implementation of priority development programs that are at their final stage of realization. Providing capacities for the production of priority weapons and ammunition, which have hitherto been produced in the break-away republics, have definitely been postponed. There will also be a considerable slowdown in the implementation of the already-approved programs that concern the basic areas of production like initial means [inicijalna sredstva], gunpowder, rocket fuel, and so on, without which the Army does not have its own ammunition, rockets, explosives, and other combat materials.

Specific capacities of the military industry are in a particularly critical state: the fully agreed production for 1993 provides an extremely uneven, and in some areas, very low employment rate of 20 to 60 percent. With the resources that are provided with this readjustment, it is possible to pay for a total of 27 percent of the agreed obligations, thus undermining the continuation and survival of this part of our country's industry.

In the field of behind-the-scenes activities, the use of energy and fuel will be rationalized (by 50 percent in relation to last year), the servicing of equipment will be put off as long as possible, and other measures will be taken.

Alleviating Unresolved Problems

With great respect for the efforts that are being made by members of the Army to maintain the essential level of the country's defense capability, I would point out the fact that the proposed level of finance for the needs of the Army of Yugoslavia only alleviates the unresolved problems that I have spoken about and ensures that the essential level of combat readiness is maintained. Otherwise, rejection of the proposed readjustment would inevitably mean a complete halt to financing. In a situation where material reserves have already been used up, this would cause a blockage in the functioning of he Army and bring into question the implementation of its constitutional role. If the proposed readjustment is rejected, the Federal Government cannot take responsibility for the financing of the Army and for the country's defense.

Any unjustified economizing on the Army is expensive and is usually paid for in blood.

[Box, p 5]

Reducing Cadres

Regarding the number of officers and paid civilians in the service of the Army and compared to the situation in June last year, there has been a reduction in the number of: active officers of 32 percent; noncommissioned officers of 34 percent; and civilians of 48 percent. The adoption of the Law on the Army of Yugoslavia creates conditions for a further reduction in the number of its members—up to 30 percent. However, this will not have a significant effect on budgetary expenditure in 1993—because of the legal duration of the procedure for retirements and the need to accept the corresponding number of new, younger cadres and soldiers as agreed.

It is up to the organs of state authority to ensure the consistent implementation of the call-up, particularly of conscripts from ethnic minorities, where the response has been exceptionally weak. This would reduce the need to mobilize reserves and reduce Army expenses in this regard.

[Box, p 6]

Considerable Fall in the Standard of Living

Because of the particularities of army service, for the majority of professional members of the Army their pay is their only source of income. For quite a while, and particularly since the beginning of 1993, the standard of living of members of the Army of Yugoslavia has been falling and has the tendency to fall further. The real value of their wages fell by about 60 percent in the first half of this year in relation to the same period in 1992, so that a relatively large number of Army members are living on the breadline. The pay of a significant number of civilians, noncommissioned officers, and even officers, has recently been below the lowest price of labor. Army pensioners are also in a difficult situation and the average pension in June amounted to only 39 million dinars. Members of the Army of Yugoslavia who have been transferred to the territory of the FRY for well-known reasons are in a particularly difficult financial situation. According to already released figures, around 13,000 active military personnel and civilians in the service of the Army of Yugoslavia have arrived on the territory of the FRY, with around 40,000 family members and 4,000 retired military personnel who were in army accommodation on the territory of the break-away republics.

Because of the lack of finance, the construction of housing has slowed considerably, so that the number of unresolved housing problems has increased. In our army, there are 17,550 active members without any kind of apartment and 7,681 with inadequate housing.

Despite all understanding of the dramatic nature of the economic situation and finance difficulties, the quickened fall in the standard of living of members of the Army of Yugoslavia, in all its elements, has a very unfavorable effect on people's motivation, which could have a negative influence on the combat readiness of units. The deteriorating financial situation of Army members also has a discouraging effect on the view of the army profession in society and thereby on the country's defense power, too.

Expects Final Agreement in 'Next Few Days'

AU3107173993 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 31 Jul 93

[Text] Upon returning from Geneva to Podgorica, Montenegrin President Momir Bulatovic stated that the protracted negotiations had culminated with an important document which represents a unanimously adopted and coordinated plan for the constitutional provisions of the Bosnia-Herzegovina union.

He drew attention to the readiness of Serbian President Slobodan Milosevic and Croatian President Franjo Tudjman to respond to any invitation of the cochairmen [Owen and Stoltenberg] should their presence facilitate the achievement of the final agreement.

President Bulatovic also added:

[Begin Bulatovic recording] Intense bilateral talks are expected that should in the next few days lead to the final adoption of the second most important, or rather, the first most important document on the future constitution of Bosnia-Herzegovina—the maps. During the last few days we have witnessed a very good atmosphere, and enormous progress has been made as to the resolution of all controversial issues.

It is important to emphasize that the representatives of the Serbian and Croatian sides, that is, of the Srpska republic and Herceg-Bosna, reached a consensus on nearly all disputed issues. The weekend should therefore—and I hope that this will be done in Geneva—be used to establish internal boundaries within the central Bosnian Republic.

In any case, after a long wait comes some good news from Geneva regarding Bosnia-Herzegovina. I am bringing this good news to Montenegro with pleasure and I wish to share it with all our citizens who are anxiously awaiting the restoration of peace in Bosnia-Herzegovina, and with this also the end of the great difficulties that are affecting us due to the unjustified and unfair sanctions. [end recording]

Lilic Inspects Air Force Base; Confident in Army

AU3007162793 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 30 Jul 93

[Text] President of the Federal Republic of Yugoslavia Zoran Lilic, Yugoslav Army Minister Pavle Bulatovic, Deputy Chief of General Staff Lieutenant General Dragoljub Simovic, accompanied by the commander of the Air Force and Antiaircraft Defenses, Lieutenant General Bozidar Stevanovic, toured the airport at Batajnica, reviewed the Air Force facilities and modern combat equipment, and acquainted themselves with the combat readiness and the modern equipment of this branch of the FRY's Armed Forces.

Following the conclusion of the visit to Batajnica, our reporter Mijusko Tomic asked President Lilic for an interview about his visits to Yugoslav Army units in the past three days.

[Tomic] Mr. President, as president of the Federal Republic of Yugoslavia and the supreme commander of the Armed Forces of the FRY, in the past three days you have had the chance to visit units of the Air Force and the Navy, and you have toured the commands of the 2d and 3d Armies. Today you are here at Batajnica, where the Air Force is exhibiting its most up-to-date combat equipment. Your impressions?

[Begin Lilic recording] Let me say that this is practically the end of our regular activities that we have devised, or at least I have, to get a more complete picture of the activity and employment of equipment and technology, manpower, and the situation in our armies and in the Navy and Air Force. I am satisfied with the first, which means that I am satisfied with their readiness, their will, their knowledge, and if you insist, the state of their weapons and equipment under these difficult conditions. With their engagement they will secure stability on our territory, and they will primarily secure what I believe is really the most significant thing for all of us—peace in the FRY.

At the same time they are in an exceptionally grave situation. According to them, it is certain that [changes thought] According to the information we possess, I believe that it is my duty, and the duty of all us in the FRY, to do everything possible within the limits of the existing funds and possibilities to raise living standards and establish the conditions for a relatively normal existence. We must take a step forward, at least in this area.

I am convinced that by doing this we will create even better conditions for an even safer, stronger, and more modernly equipped Yugoslav Army, with only one goal: to make it possible for us to secure and safeguard peace on our territory, understanding that all the others who do not have this function have to do other jobs, and apply themselves more vigorously to economic issues and to other areas. Through our joint efforts we must create better conditions for those people for whom I am deeply convinced all of us exist—the citizens of the FRY. [end recording]

Increase in Mortality by 30 Percent Due to Sanctions

LD3007180893 Belgrade TANJUG in English 1641 GMT 30 Jul 93

[Text] Belgrade, July 30 (TANJUG)—Mortality in some groups of patients in the Federal Republic of Yugoslavia has risen up to 30 per cent since May 30 last year, when the U.N. Security Council introduced sanctions against it. The Yugoslav Government will ask the Security Council to urgently adopt a new resolution on the protection of humanitarian relief aid from the effects of sanctions, members of a government commission monitoring the sanctions told reporters on Friday.

Humanitarian relief aid and public health have been exempt from sanctions, which however most seriously affect just these two fields, members of the commission noted.

Since the latest tightening of sanctions against Yugoslavia early in May, the U.N. Sanctions Committee has approved only a few requests for humanitarian relief aid to Yugoslavia, the members stated, recalling that the approval of such aid was stymied last week by a group of Islamic countries in the committee.

Members of the commission also warned that aid shipments with regular papers are often stopped, as testified by the holding in the Italian port Brindisi of a ship with 13,000 tonnes of wheat from France for the Republic of Montenegro, in spite of regular documents and paid cargo.

Data on 1991 Population Census

93BA1234E Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 28 Jun 93 p 27

[Article by V. Karakasevic: "Average Results of the Population Census"]

[Text] The Federal Bureau of Statistics [SZS] published the results of the 1991 Population Census a few days ago. The figures have been worked up and presented for the FRY, that is, for Serbia and Montenegro, although at that time the census was done for the entire SFRY. But right in the middle of that year, when the results were to be systematized, Yugoslavia began to fall apart. Only the "preliminary" data remained in the SZS, while the new states later did their own more precise and broader processing of the data—each on its own.

According to these initial data, in which the error may be as great as 1 percent, the SFRY had a population of 23,475,887 in 1991, which is 1,051,176, or 4.7 percent more than 10 years earlier, in 1981. After the results of the 1981 Census were systematized, statisticians were somewhat greater optimists with respect to a further growth of the population, and the projection of the growth envisaged that in 1990 Yugoslavia would have a population of 24,107,000 people. However, the economic and political crises came along, along with the first suggestions of greater needs in the country, which undoubtedly tended to slow down the birth rate in most regions of the SFRY.

The largest growth of population during those 10 years occurred in Kosovo and Metohija—23.5 percent, and only in Slovenia were there fewer inhabitants in 1991, by 1 percent, than 10 years earlier.

Among the former republics of the SFRY, the largest growth of population was in Macedonia—6.5 percent (probably because of the increased number of Albanians) and Bosnia-Herzegovina—5.8 percent. Bosnia-Herzegovina had a population of 4,365,639 (5.8 percent) in 1991, Croatia—4,763,941 (3.5 percent), Macedonia—2,033,964 (6.5 percent), and Slovenia—1,974,839 (4.4 percent).

According to the final figures from the 1991 Census, the present FRY had a population of 10,394,026, which is 5 percent more than Serbia and Montenegro had in 1981. In 1991, Montenegro had a population of 615,035 (5.3 percent more than in 1981), and Serbia—9,778,991 (5 percent more). The central region of Serbia had a population of 5,808,906 (2 percent more), Vojvodina—2,013,889 (1 percent less), and Kosovo and Metohija—1,956,196 (23.5 percent more).

On the basis of people's declaration of their nationality, in 1991 the FRY had 6,504,048 Serbs, 519,766 Montenegrins, and 349,784 who declared themselves to be Yugoslavs. The largest group in the remaining population were the Albanians—1,714,768, and then Hungarians—344,147, and then Muslims—336,025, Gypsies—143,519, Croats—111,650, Slovaks—66,863, Macedonians—47,118, Romanians—42,364, Bulgarians—26,922, Bunjevci—21,434, Ruthenians—18,099, Wallachians—17,810, Turks—11,263, Slovenes—8,630, Germans—5,387, and Ukrainians—5,090.

The most significant drop in this region over the last 10 years has been in the number of those declaring themselves to be Hungarians—a decrease of about 46,000, and as Croats—a drop of about 45,000 (and this was in the time before the very serious ethnic conflicts). That is why the number of Hungarians dropped 45,800 in Vojvodina and the number of Croats about 34,000.

The largest increase was in the number of Albanians—373,999, or 27.9 percent, and Muslims—42,800, or 14.6 percent. In Montenegro, there were 78,080 Muslims in 1981 and 89,614 in 1991, which was 14.5 percent of that republic's total population. In Serbia, over that time the number of Muslims increased from 215,166 to 246,411, with a share of 2.5 percent in the total population.

The 1991 Census was the first time since the 1953 Census that the population stated its religion. The results were really surprising for many people, because only 170,528 people, or 1.6 percent of the population, said that they are not believers. Orthodox believers were the largest group—67.2 percent, and then Catholics—5.1 percent, Muslims—4.5 percent, and Protestants—0.9 percent.

Because the 1991 Census was taken at the last moment before the conflict between the republics, the civil war, and the country's disintegration, the data obtained will be valuable evidence in the future when determinations are made of the loss of population, economic resources, housing and farms, emigration and immigration, and everything else that so far and until the situation finally calms down will be destroyed and moved on the territory of the former SFRY, that is, on the territory of its former republics.

Serbia

Most Parties View Agreement as Step Toward Peace

LD3107205993 Belgrade TANJUG in English 1956 GMT 31 Jul 93

[Text] Belgrade, July 31 (TANJUG)—Most parties in the Yugoslav Republic of Serbia assessed on Saturday that the agreement reached at the negotiations in Geneva on Friday on the constitutional organization of Bosnia-Herzegovina as a union of three republics, Moslem, Serb and Croat, was an important step towards peace in that former Yugoslav republic.

The opposition Democratic Party of Serbia (DSS) believes that the agreement is a realistic and encouraging step towards ending the Bosnian conflict and that it confirmed the stand of the party that the solution for Bosnia should have been sought on the basis of the former plan (for a confederation) by Jose Cutileiro, and not according to the Vance-Owen plan which was unacceptable to the Serb side.

The adopted constitutional principles must be followed by a territorial division just to all three sides, and the just solution for Bosnian Serbs is the solution which would enable them ethnic integrity and territorial continuity, the DSS statement said.

Assessing that the Serb side can be satisfied with the adopted constitutional principles for Bosnia-Herzegovina, head of the executive committee of the opposition Democratic Party (DS) Zoran Djindjic said that the key element for ending the crisis in Bosnia-Herzegovina was missing—the agreement on maps.

Leader of the reformist Democratic Party of Vojvodina (RDSV) Dragoslav Petrovic told TANJUG that any step leading to a cessation of killing and destruction should be welcomed. He added that it was not clear how people could live there in stability if the constitutive units retained the strong influence of confirmed nationalists and aggressive individuals.

A statement by an extraparliamentary opposition party, the Serbian National Renewal (SNO), said that the solution of the Serb issue was no Bosnian union but the unification of the Serb people into a single state. No one can make a country on the basis of a religion, and so the Moslems in Bosnia-Herzegovina cannot do it either, the statement said.

Academic Mihajlo Markovic told TANJUG that an imminent peace was possible in Bosnia-Herzegovina now, although it was obvious that some big powers did not want it. Since their plans have failed, he said, some powerful people in the world will continue trying to maintain the U.N. sanctions imposed against the Federal Republic of Yugoslavia on May 31, 1992, although the reason for their adoption has been lost by the reached agreement on Bosnia-Herzegovina and they are now without any justification.

A Belgrade professor of international law, Smilja Avramov, assessed that the agreement on the constitutional organization of Bosnia was a triumph of reason. Her colleague, Professor Gavro Perazic, said that Bosnia-Herzegovina as a union guaranteed legal entity to all three national communities there and that it allowed the Serbs elements of independent statehood, which they urged since the beginning of the Bosnian crisis.

The ruling Socialist Party of Serbia (SPS) assessed on Saturday that the agreement in Geneva was a decisive step towards peace and a just solution to the crisis in the former Yugoslav Republic of Bosnia-Herzegovina.

The statement by the SPS said that the decisions reached in Geneva provided conditions for peace, affirmation and international recognition of the Serb republic within the Union of the Republics of Bosnia-Herzegovina.

The agreement confirmed the consistent and policy of principle of the Serbian and SPS leadership, who have from the beginning of the conflict in Bosnia-Herzegovina supported the idea that a lasting and just solution could only be reached by respecting the equality and the interests of all three peoples living there.

Electricity Prices Increase 337 Percent

LD0108110693 Belgrade TANJUG Domestic Service in Serbo-Croatian 0642 GMT 1 Aug 93

[Excerpt] Belgrade, 1 Aug (TANJUG)—The price of electricity went up by 337 percent beginning today, the "Serbian Power Industry" public enterprise announced. [passage omitted]

Montenegro

Fuel Prices Rise 50 Percent 31 Jul

LD3107205193 Belgrade TANJUG Domestic Service in Serbo-Croatian 0708 GMT 31 Jul 93

[Text] Podgorica, 31 Jul (TANJUG)—Effective today, gas and diesel prices have nearly doubled. Car owners will obtain coupons allowing them to buy 15 liters of fuel per person in September.

Kosovo

Activists Disappear After Arrest by Serbian Police

AU3107182993 Tirana Radio Tirana Network in Albanian 1330 GMT 31 Jul 93

[Ramazan Mucolli report from Pristina]

[Text] [Announcer] The Serbian police have recently arrested dozens of people, many of them activists of Albanian political parties. Nothing is known yet about their fate. Let us turn to our correspondent in Prishtina, Ramazan Mucolli:

[Begin Mucolli recording] According to Podujeve police statements, Bajrush Bajrami, chairman of the UNIKOMB [National Unity Party] branch in Podujeve, and was arrested on 26 July, has been sent to Prishtina. However, the Serbian authorities there assert that he is not to be found in Prishtina. Bajrush's relatives have asked about him in Kushumleje also, but they received the same answer there. At this time, nothing is known about the fate of Bajrush Bajrami.

Meanwhile, on 23 July the Serbian police arrested Agron Shala from Krajkova and Bekim Krasniqi from Komoran, who were sent from the Gllogovc police station to a prison in the Prishtina area. Their families were interested in visiting them, but they were told that the detainees were released at 0700 [0500 GMT] on the morning of 27 July. But their relatives, even today, know nothing about their fate.

These two cases are reminiscent of numerous disappearances without trace of Albanians from all over Kosovo, the majority of whom are young people. After a long time, many of them have come back to their families after various troubles endured in police stations, prisons, various camps, and at the front in Croatia and Bosnia-Herzegovina.

The most recent disappearances are a testimony to the insecurity of Albanian citizens in occupied Kosovo. In the most diverse ways and using the most inhuman methods, the Serbian police and paramilitary forces continue to create an atmosphere of insecurity and of distress in Kosovo, with the goal of threatening Albanians to abandon their political will and ethnic territories. On the other hand, this regime seriously provokes the Albanian people, the majority of whom support the proclaimed preference of parties and other Albanian political entities to resolve the issue of Kosovo and Albanians through peaceful political means.

Lack of Humanitarian Aid to Province Protested

AU3107202293 Tirana ATA in English 1015 GMT 31 Jul 93

["No Humanitarian Aid Has Reached Kosova, RILINDJA of Kosova Writes"—ATA headline]

[Text] Tirana, July 31 (ATA)—International community continues to bring humanitarian aid for Kosova, but so far no Albanian has received this aid. The Albanians, who today are under the double blockade by the Serbian regime and by international sanctions towards the present Slav Federation, which includes Serbia and Montenegro, need more than ever humanitarian aid in all fields, especially in that of food and information.

It is common knowledge that an obstacle for the arrival of humanitarian aid in Kosova is the Serbian occupying power, which has blocked aid as powerful as U.S. aid, worth $8.5 million, or that from humanitarian associations, such as the French Benevolent Association Equilibre.

The Serbian regime, RILINDJA writes, has placed conditions for this aid, stressing that they should be distributed under the control of the regime and that only 50 percent of them may be sent to Albanian population. The Albanians of Kosova need aid and in case they do not receive it, the next winter will be very difficult for them.

Party Leader Views New Outbreaks of Terrorism

LD0108163193 Belgrade TANJUG in English 1554 GMT 1 Aug 93

[Text] Kragujevac, August 1 (TANJUG)—President of the Movement for Common Life in Serbia and Yugoslavia (of ethnic Albanians) Basri Plana on Sunday said that it is not surprising that terrorist acts have been committed in Serbia's southern province of Kosovo-Metohija (Kosmet) over the past few weeks, because it is in the interest of both the West and ethnic Albanian separatists in the region.

They believe that the war in the former Yugoslav Republic of Bosnia-Herzegovina is coming to an end, and they are committing terrorist acts wishing to create a new hot-bed in this part of Serbia, Plana told Radio Kragujevac.

Assessing that the authors of this scenario are Germany and Austria in the first place, as well as Turkey and some Middle East countries, Plana said that these countries have had "such aspirations for centuries, but they have always been the losers."

"They don't only want revenge but they also want to capture these parts. We know that this is impossible, but we have to be ready to answer to their aspirations," Plana said.

A strong separatist movement of ethnic Albanians has been active in Kosmet for the past several decades. A number of police officers have been killed or wounded in separatist attacks in the province over the past few months.

Commentator on Upsurge in 'Terrorist Attacks'

AU0208121493 Pristina TVP Television Network in Serbo-Croatian 1730 GMT 1 Aug 93

[Miroslav Mihajovic report]

[Text] [Studio announcer] The distressing series of recent terrorist attacks on the security organs in Kosmet [Kosovo-Metohija] has once again reminded us of the work of Albanian separatists in this region. The first victims have fallen in these attacks. Is terrorism the future of this southern Serbian province after the Albanian leaders failed in their demands for some kind of a Kosovo republic?

[Mihajlovic] In the frequent terrorists attacks on the security organs in Kosmet, two policemen were killed and 12 wounded in the last one and half months alone. The attack with automatic weapons on a police van in Podujevo last week, during which two members of the security forces were wounded, is yet another in a series of terrorists actions that have made the problems of this region again topical at home and abroad.

The following is a list of recent events, in reverse order:

Three policemen were wounded in front of the police station in Prizren; two were wounded in a bomb attack in Vitomirica near Pec; two policemen were killed and five wounded in Glogovac. The common element in all these actions is the way they are carried out. As a rule, they are carried out during the night and from ambush. Another common element is the fact that the attackers have not been discovered yet.

The latest attacks are only part of the tragic statistics of over 150 attacks on the security organs in Kosmet in the post year and half. The almost daily discoveries of large amounts of arms in the illegal possession of Albanian citizens confirms that Kosmet is extremely fertile soil for terrorist activities. A good deal of these arms come from the military arsenal. They are very deadly. Some of them, as these Israeli Uzis, are made for special purposes.

The Kosmet security organs are, almost daily, discovering dozens of automatic rifles of various origins. They come either from battlefields or abroad. As many as 500 firearms [cev] have been discovered in the Pec commune in the last two months alone. They were illegally held by Albanian citizens.

The hitherto largest smuggling chain for supplying Kosmet Albanians with arms was broken six months ago, when the police confiscated more than 100 automatic rifles, two machine guns, and a large amount of ammunition and military equipment. Serbs were also involved in these illegal activities on several occasions.

The high concentration of arms that are illegally held by Albanians is not the only element of terrorism in this region. The other form of terrorism is above all the radicalization of the stand of the Albanian side, which, as it appears, does not want to be reconciled with the increasingly clear stand of the international community that a republic of Kosovo is out of the question.

Even the moderate leader of the Kosovo Albanians, Ibrahim Rugova, has lost patience. He recently said in Vienna that he would insist on the alteration of borders and unification with Albania, and that he will take certain measures in that direction if the international community allows the alteration of the borders of the former Bosnia-Herzegovina. Does this mean that a change in the form of activities by the Albanian side, which has so far mainly relied on the diplomatic-propaganda activity, is in sight?

What is known is that the militant currents among the Albanians are increasingly strong and vociferous. The illegal terrorist organization, the Front of National Liberation, asserted itself at the beginning of the year by distributing leaflets in all Kosmet towns, in which it appealed to its co-citizens to participate in an armed uprising against, as it said, the Serbian occupier. This was perhaps the announcement of the increasingly impudent terrorist attacks that we have recently witnessed. If this is what those who have decided to shoot from darkness and ambush want, then they should be reminded of the old proverb: They that sow the wind shall reap the whirlwind.